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TARIFF HEARINGS

BEFORE THE COMMITTEE ON
WAYS AND MEANS OF THE
HOUSE OF REPRESENTATIVES

SIXTIETH CONGRESS

1908-1909

SCHEDULE N

Sundries



WASHINGTON
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1909
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COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SERENO E. PAYNE, *Chairman.*

JOHN DALZELL.
SAMUEL W. McCALL.
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HENRY S. BOUTELL.
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JOSEPH W. FORDNEY.
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EDGAR D. CRUMPACKER.
CHAMP CLARK.
WILLIAM BOURKE COCKRAN.
OSCAR W. UNDERWOOD.
D. L. D. GRANGER.
JAMES M. GRIGGS.
EDGAR W. POU.
CHOICE B. RANDELL.

WILLIAM K. PAYNE, *Clerk.*

P R E F A C E .

Tariff hearings were begun on November 10, 1908, pursuant to the following notice:

The Committee on Ways and Means will hold hearings on tariff revision, at Washington, D. C., commencing on the following dates:

Tuesday, November 10, 1908, on Schedule A—Chemicals, oils, and paints.
Thursday, November 12, 1908, on Schedule H—Spirits, wines, and other beverages.

Friday, November 13, 1908, on Schedule F—Tobacco, and manufactures of.
Monday, November 16, 1908, on Schedule E—Sugar, molasses, and manufactures of.

Wednesday, November 18, 1908, on Schedule G—Agricultural products and provisions.

Friday, November 20, 1908, on Schedule D—Wood, and manufactures of.

Saturday, November 21, 1908, on Schedule M—Pulp, papers, and books.

Monday, November 23, 1908, on Schedule B—Earths, earthenware, and glassware.

Wednesday, November 25, 1908, on Schedule C—Metals, and manufactures of.

Saturday, November 28, 1908, on Schedule N—Sundries.

Monday, November 30, 1908, on Schedule J—Flax, hemp, and jute, and manufactures of.

Tuesday, December 1, 1908, on Schedule I—Cotton manufactures, and on Schedule L—Silks and silk goods.

Wednesday, December 2, 1908, on Schedule K—Wool, and manufactures of.

Friday, December 4, 1908, on Sections 3-34, and miscellaneous matters.

Hearings on articles now on free list will be held on the above dates in connection with the above subjects to which they most nearly relate.

The hearings will be held in the rooms of the committee, third floor, House of Representatives Office Building.

Sessions will begin at 9.30 a. m. and 2 p. m., unless otherwise ordered.

Persons desiring to be heard should apply to the clerk of the committee previous to the day set for the hearing, to be assigned a place on the programme for that day. A person making such application should state:

1. His name.
2. His permanent address.
3. His temporary address in Washington.
4. Whom he represents.
5. Concerning what paragraphs he desires to be heard.
6. Briefly, what position he expects to advocate.
7. How much time he wishes to occupy.

He should also inclose a copy of his brief and of any documents he desires filed with the committee.

All briefs and other papers filed with the committee should have indorsed on them the name and address of the person submitting them, and the numbers of the paragraphs of the present law (act of July 24, 1897) to which they relate.

WILLIAM K. PAYNE,
Clerk, Committee on Ways and Means.

The committee subsequently extended the time for hearings to December 24, 1908.

On the opening day of the second session of the Sixtieth Congress (December 5, 1908), the following resolution was passed by the House of Representatives:

Resolved, That the Committee on Ways and Means, in their investigation and inquiry for the purpose of preparing a bill to revise the present tariff laws, shall have power to subpoena and examine witnesses under oath, and to send for records, papers, and all other evidence that may be necessary to make the investigation and inquiry full and complete, and that the Speaker shall have authority to sign and the Clerk to attest subpoenas during the recess of Congress.

Pursuant to this resolution, all witnesses appearing before the committee, beginning with the session on December 10, 1908, were sworn before giving their testimony.

The stenographic minutes of each day's proceedings, together with the briefs and memorials filed, were printed and distributed the following morning, and upward of 2,500 copies of this first print were sent out each day. Copies were sent to each witness, with a request that he correct his statement as printed, and return the revised copy to the clerk. Such corrections have been used in preparing this revised edition of the hearings.

In this edition the chronological order of the statements has been disregarded, and the oral statements and papers filed on each subject have been grouped together, following, as far as practicable, the arrangement of subjects in the present tariff law. The date of each oral statement is placed at the beginning of it.

A large number of letters have been filed with the committee which merely stated the attitude of the writer, or else substantially repeated an argument which had already been printed in the hearings. Such letters have not been included in this work, but instead, a statement is made that such letters have been received. They are all on the committee's files, and accessible to the members of the committee. By this means, the size of the volumes, already bulky, has been somewhat reduced, the printing has been expedited, and, it is believed, many undesirable repetitions have been avoided.

WILLIAM K. PAYNE.

JANUARY, 1909.

REMARKS BY THE CHAIRMAN.

Tuesday, November 10, 1908, the chairman of the committee, Hon. S. E. Payne, opened the public hearings with the following remarks:

Gentlemen, the hearings will commence at half past 9 in the morning and continue until 1 o'clock, when a recess will be taken until 2 o'clock. The hearings will then be resumed in the afternoon at 2 o'clock, and if it becomes necessary to take a recess at 6 o'clock the committee can do so and continue the hearings at 8 o'clock.

The opening hearing this morning, as you are aware, is upon the chemical schedule of the tariff, and it is the desire of the committee to hear the parties interested and others who may desire to speak on the subject embraced in the schedule, and also concerning the chemicals on the free list, and so with each paragraph of the bill as we proceed, so that the discussion may continue intelligently, involving every item connected with the subject.

The committee has no apologies to make for the bad acoustics of the hall, as we have nothing to do with that feature. We hope the people in attendance will be able to hear, and I would caution those in attendance that they speak in a sufficiently loud tone of voice that the committee can hear.

December 22, 1908, at the close of the formal hearings, the chairman said:

Gentlemen, in accordance with the resolution of the committee passed two weeks ago this closes the hearings and there will be no further hearings by the committee unless they desire information on some subject and invite gentlemen to be present to give them that information—that is, there will be no hearings for volunteers as distinguished from those who may be sent for by the committee. Of course, any persons desiring to present briefs and file them can do so, and they will be printed with the hearings. The only difficulty in regard to that is that if they are not brought in promptly they will be printed in a subsequent volume. I think we have material now for five or six volumes, and belated briefs and papers will be printed in a subsequent volume with the index.

Before we adjourn I want to thank the members of the committee for their uniform courtesy, and especially their indefatigable inquiries tending to bring out the facts in reference to the tariff and in order to aid in perfecting the bill. I think the minority members of the committee especially are entitled to thanks for their perseverance and patience in getting at the facts.

Mr. COCKRAN. As the senior member of the minority, Mr. Chairman, I want to say that nothing could be fairer than the manner in which this investigation has been conducted, and no inquiry could be fuller in its scope or more fruitful in its results.

The CHAIRMAN. The chairman is very much gratified at the gentleman's statement. The committee will now stand adjourned.

SCHEDULE N.

—
SUNDRIES.

SCHEDULE N—SUNDRIES.

BEADS.

[Paragraph 408.]

**THE EMBROIDERY AND LACE MANUFACTURERS' ASSOCIATION
OF THE UNITED STATES SUGGESTS AN AMENDMENT TO THE
TARIFF PROVISION FOR BEADS.**

488 to 492 BROADWAY,
New York, November 27, 1908.

The COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We recommend that paragraph 408 (Schedule N, sundries) be amended so as to read as follows:

PAR. 408. Beads of all kinds, not threaded or strung, thirty-five per centum ad valorem; fabrics, nets or nettings, laces, embroideries, galloons, wearing apparel, ornaments, trimmings, and other articles not specially provided for in this act, composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material, sixty per centum ad valorem: *Provided*, That no article composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material shall pay duty at a less rate than imposed in any schedule of this act upon articles without such beads or spangles.

The object of this proviso is the same as a similar proviso at the end of paragraph 339 in Schedule J, so as to preclude the possibility of any article coming in at a lower rate than intended by the mere addition of some beads or spangles, and thereby defeating the intent of the act in regard to such articles.

Yours, truly,

THE EMBROIDERY AND LACE MANUFACTURERS'
ASSOCIATION OF THE UNITED STATES,
Per A. H. KURSHEEDT, *President.*

**AMERICAN BRAID MANUFACTURERS RECOMMEND A NEW CLASSI-
FICATION FOR BEADS OF ALL KINDS.**

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: "Beads of all kinds, not threaded or strung, thirty-five per centum ad valorem; fabrics, nets or nettings, laces, embroideries, galloons, wearing apparel, ornaments, trimmings, and other articles

not specially provided for in this act, composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material, but not composed in part of wool, sixty per centum ad valorem.”

We recommend that paragraph 408 be amended so as to read as follows:

Beads of all kinds, not threaded or strung, thirty-five per centum ad valorem; fabrics, nets or nettings, laces, embroideries, galloons, wearing apparel, ornaments, trimmings, and other articles not specially provided for in this act, composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material, sixty per centum ad valorem: *Provided*, That no article composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material shall pay duty at a less rate than imposed in any schedule of this act upon articles without such beads or spangles.

The object of this proviso is the same as a similar proviso at the end of paragraph 339 in Schedule J, so as to preclude the possibility of any article coming in at a lower rate than intended, by the mere addition of some beads or spangles, and thereby defeating the intent of the act in regard to such articles.

Respectfully submitted.

BRAID MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,
HENRY W. SCHLOSS, *President*.

STRAW BRAIDS AND HATS.

[Paragraph 409.]

PARSONS BROTHERS, BROOKLYN, N. Y., ASK AN ADVANCE OF DUTY ON BLEACHED AND DYED CHIP AND STRAW BRAID.

WASHINGTON, D. C., *November 24, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

House of Representatives.

GENTLEMEN: We have the honor to invite your attention to the needs of a higher duty on dyed and bleached chip and straw braids which are used in the manufacture of hats.

The present duty on bleached and dyed braids is but 5 per cent more than that charged on the raw material—i. e., “not dyed or bleached, 15 per cent; if dyed or bleached, 20 per cent”—and this 5 per cent does not give the American dyer a sufficient margin to compete with the foreign dyer, who has the advantage of cheaper labor and materials.

The chemicals and dyes entering into the dyeing and bleaching of braids to the extent of nearly 60 per cent of the cost of production, and these chemicals and dyes are dutiable under the present tariff, 25 per cent.

Therefore, we pray you that the duty on bleached and dyed chip and straw braid (Schedule N, No. 409) be advanced from 20 per cent ad valorem to 30 per cent ad valorem.

Respectfully submitted.

PARSONS BROTHERS (INCORPORATED),
J. U. PARSONS.

**BRIEF FILED BY R. H. COMEY COMPANY, OF CAMDEN, N. J.,
AND PARSONS BROTHERS, OF BROOKLYN, N. Y., RELATIVE TO
DUTY ON STRAW BRAIDS.**

WASHINGTON, D. C., *November 28, 1908.*

HON. SERENO E. PAYNE, *Chairman, and the
Members of the Ways and Means Committee,
House of Representatives.*

GENTLEMEN: We have the honor to invite your attention to the need of a higher protective duty on dyed and bleached straw and chip braids, which are used in the manufacture of hats.

The paragraph which we wish changed is No. 409, Schedule N, of the present law.

Our desire is that it should be changed to read thus:

409. Braids, plaits, laces, and willow sheets or squares composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per cent ad valorem; if bleached, dyed, colored, or stained, thirty per centum ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

Our reasons for desiring this change, which we consider good and which can be fully substantiated, are as follows:

The business of dyeing straw and chip braids is very similar to the business of dyeing cotton and woolen yarns. On these last-named articles the present duty is 3 cents per pound on raw material and 6 cents per pound on dyed or bleached material, the duty on the dyed or bleached being double that on the raw.

The present duty on straw or chip braids, raw, is 15 per cent and the duty on dyed or bleached braid is 20 per cent.

We are thus afforded a protection only $33\frac{1}{3}$ per cent greater than the duty on the raw material, as compared to the double duty on dyed yarns.

There is a certain pattern imported from Italy to the extent of several million pieces annually which costs in Italy only 6 cents per piece in the raw or undyed state.

Our Italian competitors can afford to dye this pattern for one-half cent per piece in our money. The lowest possible price at which we can dye the same pattern is $1\frac{3}{4}$ cents per piece.

The extra 5 per cent duty in this case means only less than one-half cent per piece each added to the cost of the raw material, which enables importers in this country to bring this braid in all dyed and bleached and sell it at lower cost than that at which we could possibly produce it.

Our average labor costs us \$2 per day. In England the average labor employed in the same business costs 60 to 75 cents per day, in Italy 40 cents per day, and in China and Japan 12 cents per day.

Chemicals and dyestuffs which we use in producing our colors and bleaches are dutiable at from 25 to 35 per cent, averaging 30 per cent. The flax and hemp twine that we use is taxed 35 per cent.

All of these articles can be obtained by foreign dyers much cheaper than we can buy them in the American market, and this, together with

their low labor cost, enables them to turn out work of a quality equal to ours at an immensely lower cost in everything.

The customs records show that the amount of chip and straw braids imported from England and Italy has greatly increased—from \$815,428 in 1903 to \$1,311,000 in the fiscal year ending June 30, 1907. Of this amount in 1907 \$509,000 represented the value of dyed and bleached straw and chip imported from these two countries.

Figuring the dyeing and bleaching as equal to 20 per cent of the value, this represents approximately \$100,000 of dyeing and bleaching business lost to American labor in this year.

The imports of braid from China during the same period increased from \$550,376 in 1903 to \$1,747,703 in 1907.

The Chinese and Japanese braids have been the most popular for the last two or three years, and it is only a question of a short time when the Japanese and Chinese will take up the dyeing and bleaching of braids which they produce themselves. The Japanese already have sent over small sample lots of good black.

This is entirely feasible, as evidenced by the fact that six years ago we conceived the idea of dyeing and painting the ordinary bamboo porch curtains, which are imported into this country in large quantities. This idea was promptly taken up by the trade, and we did an increasing business for three years. Last year we imported an immense quantity of these curtains, but when we attempted to sell them found we had competition in the same article.

The bamboo curtain raw can be landed in this country for 75 cents per hundred feet. We figure our dyeing costs us 75 cents per hundred feet, and sell these curtains at \$2 per hundred feet. The Japanese-dyed curtains were landed in this country at \$1 per hundred feet, thus indicating that they can afford to dye and sell them at an additional cost of only 25 cents per hundred feet.

We have asked you in another memorial to give us some protection in this article, but simply cite it to show that it is perfectly feasible for the Japanese or Chinese to take up the dyeing and bleaching of straw braids.

This danger is imminent and would most certainly result in the annihilation of our industry if we are not afforded the better protection herein asked for.

There are agents in this country representing foreign dyers who carry various dyed and bleached goods the importation of which, at the small additional duty, results in the loss to the Government of duty on chemicals, dyestuffs, etc., which would otherwise accrue through our consumption of same, and open to American labor a field for employment, and yet make no difference to the home consumer.

There are in Massachusetts alone large manufacturers, some of whom employ over 600 hands and at least 20 of whom employ dyers and bleachers to handle small odd lots of work; the large quantities of regular work being imported all dyed and bleached, because the low additional duty does not nearly bring the cost up to what it would be for these braids dyed and bleached here.

There are also job dyers and bleachers, who are of our class, who obtain only those orders which are needed to fill the immediate demands of small manufacturers who can not always be supplied by the

importers. These orders we get solely because of our convenient location and in spite of the higher prices we are compelled to charge.

Under present conditions our factories are running only about nine months of the year, and consumers use the imported article on account of its cheapness, and we secure orders that are necessary to fill in.

If the higher duty is passed, it will have a tendency to compel the manufacturer to give the Americans the work instead of placing his orders with the importers, who in turn place their orders abroad, but who ask a heavy margin for their risk and services.

The question is on the same basis and should be treated with the same consideration as that relating to the dyed and bleached yarns, of which we have given you illustration before.

The present system of duties upon dyed and bleached straw braid is almost like placing a tariff upon the different parts of a watch when they are imported separately and allowing the complete watch to come in free.

The imposing of extra duty on these goods would not increase the price to the consumer, because, although manufacturers find it cheaper to use imported stock already dyed or bleached, the importer has his profit, which results in the manufacturer paying very nearly as much for imported as for domestic work. Thus the consumer is not benefited by the low duty on these goods, while the American laborer loses heavily, and if the higher duty asked for were imposed the Government would gain revenue on chemicals and dyestuff, which would be used in the dyeing process.

Therefore, in order that we may successfully compete with foreign dyers, and, furthermore, in order to discourage the Japanese and Chinese from embarking in this industry, we recommend and suggest that the duty on dyed and bleached braids composed of chips, grass, willow, rattan, or straw for the manufacture of hats, which at present is 20 per cent, be increased to 30 per cent.

If this duty were increased upon the articles as prayed for, we could increase our plants here, employ more men, and run constantly throughout the year.

At the present time the dyers of straw and chip braids in this country are debarred from doing any dyeing or bleaching work for hat manufacturers in the Dominion of Canada, Mexico, or other foreign countries because of the duty on raw straw and chip braids.

The Dominion of Canada and Mexico particularly purchase all of their straw and chip braids in Europe and have it dyed and bleached there, and the American dyers and bleachers are excluded from any participation because of the duty which would be levied upon these braids if brought into the United States to be dyed.

We think it feasible, and would recommend, that this situation be covered by a provision providing that any straw or chip braids shipped direct from foreign countries to dyers and bleachers in the United States, the same to be dyed and bleached and immediately reexported to the owners, to come in free of duty.

The drawback system in force at present permits a return of about two-thirds of the original duty levied when the custom-house charges and broker expenses are taken into consideration. The one-third that is lost is too large a handicap to enable us to compete successfully with foreign dyers and bleachers.

If such an arrangement as we suggest could be considered, it would result in much additional business and the employment of considerable more labor in this country.

In conclusion, let us say that no trust or combination can be formed to raise prices by the dyers of chip and straw, because dyers are numerous and customers can easily arrange to dye their own braids. Most of the dyeing done in the United States is already done by the hat factories.

Example.

[Importation order, 2,000,000 pieces of Italian chip.]

2,000,000 pieces, at raw price in Italy (6 cents)-----	\$120,000
15 per cent, present duty on raw braid-----	18,000
Cost landed raw in United States-----	138,000
Actual dyeing cost in United States, including labor, four times as high as Italy, dyestuff, chemicals, etc., dutiable at 30 to 35 per cent; twine, etc., dutiable at 35 per cent (1½ cents per piece)-----	35,000
Total cost-----	173,000
2,000,000 pieces, at raw price in Italy (6 cents per piece)-----	120,000
If dyed in Italy with labor 20 per cent of our cost in United States; chemicals and dyestuffs 65 to 70 per cent of our cost in United States; twines, etc., 65 per cent of our cost in United States (½ cent per piece)-----	10,000
Present duty, 20 per cent-----	26,000
Total cost landed in United States to importers-----	156,000
2,000,000 pieces, at dyed cost in Italy (6½ cents)-----	130,000
Duty asked for, 30 per cent-----	39,000
Total cost landed in United States to importers-----	169,000

Even under duty asked for, we would be underbid \$4,000 on such an order.

Respectfully submitted.

R. H. COMEY COMPANY (INC.), Camden, N. J.
PARSONS BROS. (INC.), Brooklyn, N. Y.

STATEMENT BY H. B. VANDERHOEF, OF NEW YORK, REPRESENTING THE MANUFACTURERS OF STRAW HATS AND IMPORTERS OF STRAW HAT MATERIAL.

SATURDAY, November 28, 1908.

Mr. VANDERHOEF. I represent the manufacturers of straw hats and importers of straw-hat material, mentioned under section 409 now embraced in three paragraphs, viz, the braids from which the straw hats are made, the bodies, which we call hoods, and which come from foreign climes, and manufactured trimmed hats.

We think the classifications should be changed. There is a very great injustice in the present classification. I have a brief here, which I do not propose to read, but which I propose to file with the committee. I think, however, I can explain briefly by some examples, and if you will bear with me a moment I will explain them.

Under the first paragraph comes straw braid, as we call it. It comes principally from China and Japan. It is straw grown in the field, taken therefrom and plaited by hand. There never has been, to my knowledge, a piece of braid plaited in any other way than by hand. The present duty on such an article is 15 per cent in its natural state and 20 per cent bleached. There is not an article of this kind produced in this country; not a yard that I know of is being produced here now, nor can it be.

I now exhibit to the committee a braid upon which we pay 15 per cent duty, which is landed and sold in New York for one-tenth of a cent per yard. I now show you the other extreme, being a fine braid that goes to make fine hats. On that the same duty is paid, and it figures out about one-half a cent per yard; so I claim, gentlemen, that the present duty on these straw braids should be maintained. We are a small industry. I figure that we have paid to the National Government one-half of 1 per cent of the entire duty paid the country in duties—one-half of 1 per cent, not in this article alone, but on the other articles I show.

The Government needs revenue. Here is an article—straw braids—on which we can all well afford to pay what we are paying now, and our manufacturers advocate no change.

Mr. CLARK. If you can not make that stuff in the United States at all, what necessity have you in any way, shape, form, or fashion for a tariff on it?

Mr. VANDERHOEF. Our necessity is not free raw material. If we have the duty taken off of braid and off of everything that goes to make a straw hat, we could not compete to-day with the foreign labor. Straw used to come in on the free list. America was the dumping ground for China and Japan. There were no standards, and there was no regularity. The consequence, there were auctions, and bankers, commission men, and all sorts of people offering the goods, and we never knew what the qualities were. That was a very grave condition; so much so that the manufacturers never knew where they stood.

Mr. CLARK. Can not a hat manufacturer tell the quality of that sort of goods as soon as he sees the goods?

Mr. VANDERHOEF. No; the braid does not run regularly. The Chinamen and Japanese are not very straight people to deal with. I have known of a case, for instance, where they would bill 240 pieces to the bale and there would be other material stuffed into that bale.

Mr. CLARK. Could you not sell these hats cheaper if you had the free raw material?

Mr. VANDERHOEF. We could, but there is no need for selling them cheaper. They are retailed from 10 cents apiece up to \$10 apiece, and there is not a man, woman, or child going without a straw hat in this country because of the price of it.

Mr. GRIGGS. Could you not sell a better hat cheaper?

Mr. VANDERHOEF. We might, but I claim a man picking cotton, hoeing corn, or driving a truck need not wear a more expensive hat.

Mr. GRIGGS. He would much prefer to wear a 10-cent hat as against a 5-cent hat.

Mr. VANDERHOEF. I do not know of a 5-cent hat. All hats give the same wear and keep the sun from the person's head.

Mr. GRIGGS. Is it not true you are afraid there will be a great many more hat factories in this country if you let that stuff in free?

Mr. VANDERHOEF. No; that is not the point.

Mr. GRIGGS. You say there was so much material here at one time that the manufacturers—

Mr. VANDERHOEF. It came free to 1897.

Mr. GRIGGS. You say the manufacturers were embarrassed by the great amount of stuff that came to this country?

Mr. VANDERHOEF. Our industry is not embarrassed, whether duty is on or taken off of our raw materials. It does not matter a particle to us. I am only saying that for good reasons it would be better to leave it as it is.

Mr. GRIGGS. What are those reasons?

Mr. VANDERHOEF. The revenue for the Government is the main thing. We claim here is an article on which the Government can raise revenue without detriment to interests here.

Mr. COCKRAN. What is the revenue now?

Mr. VANDERHOEF. Fifty per cent.

Mr. COCKRAN. What is the actual amount?

Mr. VANDERHOEF. About a million dollars.

Mr. CLARK. Suppose we doubled the tariff, would it make hats any more expensive?

Mr. VANDERHOEF. Sure. You can not use braid of double the value and make the same-priced hat.

Mr. CLARK. That is owing to how much profit you make now?

Mr. VANDERHOEF. If you want to know about my profits I can tell you about that. We have to have in the manufacture of straw hats about as much capital as our total sales amount to. In other words, we turn our capital once a year. If we turn it once and a quarter, we are lucky, and we make from 5 to 10 per cent and consider ourselves fortunate.

Mr. CLARK. Do you make 5 or 10 per cent?

Mr. VANDERHOEF. Depending on the times and conditions.

The next classification to which I will call attention is what we import in the hood shape.

Mr. GRIGGS. Before you go on with that, it is mysterious to me why you do not want that on the free list, and I have asked you to bring out the reason.

Mr. VANDERHOEF. I would not want to have this country made the dumping ground of China and Japan.

Mr. GRIGGS. Why not?

Mr. VANDERHOEF. Because our experience in the past was that there were no standards to raw material.

Mr. GRIGGS. Then you were embarrassed by a superfluity of raw material?

Mr. VANDERHOEF. We like the present condition better than we did the condition then.

Mr. COCKRAN. You would like the duty, not by way of protection to American labor, but to protect you from inconvenience?

Mr. VANDERHOEF. The importers who handle the braid are with us on this subject, and the manufacturers are united in the matter.

Mr. GRIGGS. This is the first time I ever saw anybody embarrassed by too much raw material.

Mr. VANDERHOEF. What do you mean by that?

Mr. GRIGGS. You say you want the duty because you do not want so much of that brought in?

Mr. VANDERHOEF. Yes, sir; we get all we want of it. I do not want to have poked under my nose twice what I do want.

Mr. COCKRAN. Why not, if you get it cheaper?

Mr. VANDERHOEF. It is the quality. They now have standard qualities, and if the Chinamen plaited 50 bales of the material and I wanted to get that amount of first quality coming through the regular channels there would be no question about it being first quality. If the conditions are changed, as you suggest, the agent in China would inspect, and seeing it was not first quality would not buy it. Then the Chinamen would try somebody else on the first-quality scheme, and it would not go. Then the first thing you know, if we had a free list, some commission man would have this same braid, call it first quality, when it was, as a matter of fact, third or fourth quality, and it would be held here and finally offered at all sorts of prices. Quality is of extreme importance.

Mr. GRIGGS. Would not the manufacturer know it was not first quality?

Mr. VANDERHOEF. He could not tell until he inspected it in the factory. That is the very worst thing about straw braid—its irregularity.

Mr. GRIGGS. You do not want the tariff changed?

Mr. VANDERHOEF. You must understand that straw is straw, and it grows in the field, and every single crop is different. There are no two straw crops alike, and it has to be carefully sorted, carefully prepared, and carefully made. It is a delicate article, a delicate proposition, different from wool or anything of that sort that is a standard product. I want straw braid to remain as it is now—15 per cent on raw material.

Mr. GRIGGS. I am not going to question you any more about it. This is the first time I ever saw a manufacture embarrassed by the presence of a surplus of raw material.

Mr. VANDERHOEF. I am simply giving my reasons for it. Shall I leave this subject now?

Mr. GRIGGS. Yes.

Mr. VANDERHOEF. Under the present classification "B" are what we call "body hats," or "hoods," paying duty, 35 per cent. They are made in Italy and Sumatra and in China. I claim that there [indicating] is a hat that simply represents the labor in making—that is, the plaiting. I now show you another hat of the same body, which has been shaped and pressed, and on which there has been a certain amount of labor applied. We say these two hats should not come in under the same tariff. This first hat which I exhibit to the committee is one that can not be worn until it is shaped. This other hat is a hat that can be worn as it now is. The American laborer should have some protection against the labor that has been put on in Europe, and we say it is wrong to have these two hats come in under the same tariff.

Mr. GRIGGS. Are both of these hats imported?

Mr. VANDERHOEF. Yes, sir.

Mr. GRIGGS. Are they both leghorns?

Mr. VANDERHOEF. Yes, sir; both made in Italy.

Mr. GRIGGS. Do you just buy the braid?

Mr. VANDERHOEF. No; this hat is made just as it is.

Mr. GRIGGS. You import the hat that way?

Mr. VANDERHOEF. Yes; we import the hat that way. Here is another one that is imported this way [exhibiting hat to the committee].

Mr. GRIGGS. You can not import this hat and compete as against the other one which is completed in Europe?

Mr. VANDERHOEF. No, sir. This hat [indicating] can be blocked in Italy for 60 cents a dozen. Adding the extra cost in freight because of greater bulk, it brings it to about a dollar a dozen. It costs us over here \$3 a dozen.

Mr. Chairman and gentlemen, I had just touched the second and third classifications. The second classification was the hat in a hood form and not shaped. The third classification was the hat shaped, which we think should pay more duty than the one not shaped. That hat at present pays 35 per cent [indicating]; that pays 35 per cent [indicating]. On that article there is a large business done and the American manufacturers get no benefit from it whatsoever. The work is done in countries where labor can be performed for one-fourth for what it is performed for here, and if we had the proper protection or duty on those two articles the American manufacturer and American laborer would receive some benefit.

In the fourth classification are two hats, one made in England and another made in America. The hats were made with identically the same braids and trimmings and were treated in exactly the same manner and by the same class of labor. On the braid item in the hat we pay 15 per cent duty; on the trimmings (the band) we pay 50 per cent duty; on the leather we pay 35 per cent duty, and on the satin we pay 50 per cent duty. On the lace lining in the hat we pay 60 per cent duty, and so, as I have said before, our little industry gives the Federal Government one-half of 1 per cent of all the duties collected under the present tariff, and we claim that paying duties as we do on every article that goes to make up that hat we are entitled to protection from goods made in foreign lands. When we get the absolute difference in the cost of those two hats we figure the braid item the same in both places, less the 15 per cent in England; the bands the same way, less 50 per cent in England; the lace the same way, 50 per cent, which brings it down to a question of labor. England produces that hat, in point of labor, for \$1.88. It costs us \$7.50 for performing exactly the same labor on the hat, and under the present duty that hat can be landed here—

Mr. CLARK. A dozen?

Mr. VANDERHOEF. Seven dollars and fifty cents a dozen. That hat can be bought in England by any retailer in this land, or any wholesaler in the land can buy it at 30 shillings, that is, figuring it at \$7.50 a dozen, and we have to pay duty, freight, packing charges, which, as near as we can figure it, brings it up to 40 cents per shilling; so that hat landed in New York at 40 cents a shilling costs \$12. That hat made in New York in precisely the same way costs \$14.94, and we claim that we can not continue to make hats when hats can be landed here at any such difference of labor.

Now, gentlemen, there are the classifications, giving the Federal Government a handsome revenue to-day. It is immaterial to us whether you take the duty off the raw material or whether you leave it as it is, or whether you add to that article; we prefer to have it left as it is because we think that you, looking after the Government's

interests, and we being taxpayers, the Federal Government should have a revenue from that article where it can not be produced in this country. On that article [indicating hood hat] we want it left at least at 35 per cent duty. On that article [indicating hood hat blocked] we simply want the difference of manufacture. That hat is partly manufactured, and we claim that it is not right to have it come in under that classification when it is partly manufactured. On this fourth classification we think we should be protected, being liberal subscribers to the revenue. I repeat that we pay one-half of 1 per cent of all the duties collected, and if we pay the duties on this merchandise, we claim that we should have protection on this one line.

Now, gentlemen, I am ready to answer any questions which the committee desires to ask.

Mr. CLARK. All the revenues you pay the Government you ultimately collect from somebody else, do you not?

Mr. VANDERHOEF. I beg your pardon.

Mr. CLARK. You speak as though you went down into your own individual pocket and paid this one-half of 1 per cent to the Government?

Mr. VANDERHOEF. No, sir; everybody in the country is paying that. Unless we manufactured hats this duty would not be paid.

Mr. CLARK. That is what I thought myself.

Mr. UNDERWOOD. What is the volume of the straw hats that are made in the country?

Mr. VANDERHOEF. We manufacturers make about \$12,000,000 worth of straw hats.

Mr. UNDERWOOD. How much is the importation?

Mr. VANDERHOEF. For instance, the importations of braid, which comes under that classification, for the last ten years have averaged \$400,000 duty.

Mr. UNDERWOOD. What is the value? We want to get the volume of business, and then you can give the duty.

Mr. VANDERHOEF. I have not the figures, but I have figured the duty. I have not the volume here. For instance, for the last ten years we have paid on hats of that article [indicating] on an average of \$400,000 duty. Two or three million dollars a year, I should think, was the gross importation of that article.

Mr. UNDERWOOD. That hat has no competition here. Now what is the importation of hats?

Mr. VANDERHOEF. There is nothing of this kind made in this country—nothing of that kind. There is not a single hat made in this country that would come in that class. The only hats that we make in this country come in this class [indicating].

Mr. UNDERWOOD. What is the volume of business in that class?

Mr. VANDERHOEF. In this class, I should say about \$12,000,000.

Mr. UNDERWOOD. What is the volume of importation?

Mr. VANDERHOEF. Importation of manufactured hats?

Mr. UNDERWOOD. Yes.

Mr. VANDERHOEF. That is a sliding scale; the importations are going ahead by leaps and bounds in that department. I will give it to you.

Mr. UNDERWOOD. Give it to us for 1907. That is a good year.

Mr. VANDERHOEF. In 1898 there were \$36,000 worth imported, and in 1907 \$148,870.77.

Mr. UNDERWOOD. And you produce 12,000,000?

Mr. VANDERHOEF. Twelve million; yes, sir.

Mr. UNDERWOOD. Then your importations do not amount to 1 per cent?

Mr. VANDERHOEF. No, sir; there is a change of style and fancy. Now, a rough braid like this [indicating] is a thing that comes and goes according to style and fancy. This [indicating] has not cut much of a figure in the last five or ten years, but it is cutting a great figure to-day, and I predict that the importations of this coming season will be five times as much as for the last year. We know that the largest of our customers have sent agents to England to buy these hats, and we know of orders they gave last year, which had not been done to any extent theretofore. It is simply a matter of change of style and fancy. We think we ought to have a tariff to protect us.

Mr. UNDERWOOD. You ask for a prohibitive tariff, for if it increased five times over what it was last year, that would only be 5 per cent, which is a practically prohibitive tariff.

Mr. VANDERHOEF. We think, in view of our paying the tariff on all these things, that we should have a protective tariff on that. We have a hat that we can sell in America for \$12 which is almost as good as that. The hat will be of this style [indicating], and will give a man almost as much satisfaction.

Mr. UNDERWOOD. The Government is expected to receive a revenue from importations. There is no competition in these other articles; they are merely internal-revenue articles, but you want the duty fixed on this article where the competition to-day is only 1 per cent and the best you say it may grow to in the future would not be but 4 per cent?

Mr. VANDERHOEF. That is purely an estimate. Now, for instance, as a practical manufacturer, I am trying to take orders on that hat, but I can not do it. Why? Simply because this is interfering and not giving me an opportunity to run my factory. Now, gentlemen, if you will pardon me, speaking for our industry, I want you to look at this question just as though you were a hat manufacturer. That is the only fair way to look at it.

Mr. UNDERWOOD. But you overlook the fact that this committee has not only to look at it from your standpoint but from the standpoint of revenue.

Mr. VANDERHOEF. That is right, and if it was depriving the American citizens of one hat I would not be here before you. Our industry, as I have before stated, requires as much capital as the volume of our sales; in other words, if we do \$1,000,000 worth of business we have to have \$1,000,000 worth of capital, and at the end of the year our profit will not be 10 per cent and most of the time 5.

Mr. CLARK. Is not 10 per cent a pretty fair profit?

Mr. VANDERHOEF. We are perfectly satisfied with the profit.

Mr. CLARK. Then what is it that you want?

Mr. VANDERHOEF. I simply want protection in that 10 per cent profit.

Mr. CLARK. Nobody is trying to take it away from you.

Mr. VANDERHOEF. If you do not give me the duty on that article—

Mr. CLARK. The duty is on it now?

Mr. VANDERHOEF. Yes, sir.

Mr. CLARK. Is anybody trying to take it away?

Mr. VANDERHOEF. I do not know.

Mr. CLARK. Then what is the argument about it?

Mr. VANDERHOEF. We want it advanced.

Mr. CLARK. You want it advanced?

Mr. VANDERHOEF. Yes, sir.

Mr. CLARK. You will not get it as far as I am concerned.

Mr. VANDERHOEF. That is all right. I am simply here to tell you what the American industry needs; that is all. When I show you that a hat can be produced in England for \$1.88 which will cost \$7.50 here, it is up to you gentlemen to say whether you want to protect American industry or not.

Mr. CLARK. Can you tell me why Mr. Knox can manufacture his hats for seven and a half times as much?

Mr. VANDERHOEF. I will tell you. In the first place, Mr. Knox is under a tremendous expense of manufacture. Everything he does is by strictly hand labor. He pays the highest price for labor known in this country for the same work that is done. He is under enormous expense for selling his output.

Mr. CLARK. I bought a hat in Washington for \$2 and it had some grease on it, and I went into Knox's place and laid that hat down on the counter when I was in New York and bought a new hat and paid him \$5 for it, and when the grease was removed there was nobody but an expert who could tell one hat from the other. Now, how did it happen to cost Knox so much more than the hat manufactured here in Washington?

Mr. VANDERHOEF. What kind of a hat did you buy?

Mr. CLARK. I bought one that you could not tell from a Knox hat.

Mr. VANDERHOEF. Was it an English hat?

Mr. CLARK. I could not tell you what it was.

Mr. VANDERHOEF. I think it was an English hat that has come in and knocked the American hats out.

Mr. UNDERWOOD. Now, you have 99 per cent of the production in hats in this country and only 1 per cent of importation. Unquestionably the American market is being protected to-day. There can be no argument about that.

Mr. RANDELL. In that connection I would like to ask you a question. What protection has the American consumer—the wearer of hats—as against the prices fixed by the parties who have 99 per cent of the market by reason of that tariff?

Mr. VANDERHOEF. There is no fixed price in our trade. There is no trust or combination of any sort whatsoever, in treatment, process, or anything of that kind. Every manufacturer of hats stands on his own legs and is doing business in his own way, and the net profit to the manufacturer is small.

Mr. RANDELL. What is the difference in the labor cost for a hat like that [indicating] in England and in America?

Mr. VANDERHOEF. It costs \$1.88 in England and \$7.50 here.

Mr. GRIGGS. A dozen?

Mr. VANDERHOEF. Yes, sir.

Mr. RANDELL. That is the difference of the labor cost?

Mr. VANDERHOEF. Labor alone.

Mr. RANDELL. One is about \$5 more than the other?

Mr. VANDERHOEF. Yes.

Mr. RANDELL. Then a man in America can do about one-fifth of what a man can do in England?

Mr. VANDERHOEF. It is all piecework; it is all paid for by the amount done.

Mr. RANDELL. If one man in America can only do one-fifth as much as a man in England, why does he not quit that work and do something else?

Mr. VANDERHOEF. Because we have to pay him the price plus—

Mr. RANDELL. They say that a tailor is only one-ninth of a man, and it would seem that a hatmaker is only one-fifth part of a man, measured from the American standpoint?

Mr. VANDERHOEF. I know that our men work at from \$3 to \$5 a day.

Mr. RANDELL. They make other things in America, too, besides hats?

Mr. VANDERHOEF. In England they do not work for that. For instance, with regard to this hat [indicating], I know as an absolute fact—because I have some of the Italian people in our employ to-day—that a man will make only \$1 for doing that in Italy, and I can not get it done for less than \$3.

Mr. RANDELL. What does a man who buys a hat like that [indicating] in America have to pay for it—I mean a hat like that one; you say the labor only costs a dollar and something?

Mr. VANDERHOEF. There is a hat [indicating] that we sell at \$18 a dozen.

Mr. RANDELL. And the labor cost is \$7.50?

Mr. VANDERHOEF. Yes, sir; \$7.50.

Mr. RANDELL. What is the other cost?

Mr. VANDERHOEF. It is made up of braid, band, satin, kip, and leather sweat.

Mr. RANDELL. What is the cost per dozen for material?

Mr. VANDERHOEF. Four dollars and fifty-three cents.

Mr. RANDELL. The balance is the selling profit, is it?

Mr. VANDERHOEF. Yes, sir; the overhead charge, and selling profit, and office expenses.

Mr. RANDELL. It is all overhead charge, is it not?

Mr. VANDERHOEF. We call it overhead charge where it does not include the piece. There is a 10 per cent profit to us on that hat, selling it at \$18 a dozen.

Mr. GRIGGS. Let me say a word. We grow cotton in the South in competition with Indian, Chinese, and Egyptian labor, which I understand is 15 or 20 cents a day. Now, how are we going to do it?

Mr. VANDERHOEF. I do not know, sir.

Mr. GRIGGS. They do it, and they do it successfully in the South.

Mr. VANDERHOEF. I may ask you a question there. There [indicating] is a hank of braid plaited, of straw, furnished complete, all in one piece, sent into this country with 15 per cent duty at half a cent a yard. Let me see American labor anywhere do that; we never heard of such a thing.

Mr. GRIGGS. We pay our share of the tariff and get none back, and we are growing cotton in competition with Indian and Japanese labor, and you folks up here who claim to be so smart, you manufacturers, are unable to compete with European labor and white labor. Now, why is that?

Mr. VANDERHOEF. It is simply the scale of wage, for an Italian laborer will work there at 60 cents a day, and we have to pay \$3 a day; so it is very easily accounted for.

Mr. GRIGGS. I told you how we make cotton in the South as to labor. I will tell you how we manage labor with respect to cotton. The landlord furnishes the land and the tools, and pays half the expenses, and divides the profits with the man who makes it. Now, why can you not make a deal like that with your labor up here?

Mr. VANDERHOEF. Our concern has been in business since 1848. We have the most skillful mechanics, and play our game as intelligently as we think it can be played. We are an old firm and are leaders in the manufacture of hats.

Mr. GRIGGS. I have no doubt about that; but with us, if cotton is low the pay is low; if the crop is short the pay is short to the landlord and to the laborer. Why can you not do something like that instead of coming here and begging from the Government?

Mr. VANDERHOEF. We have trade unions in our country and it is sometimes difficult to handle the situation.

**BRIEF SUBMITTED BY H. B. VANDERHOEF, REPRESENTING
VARIOUS HAT MANUFACTURING CONCERNS.**

NEW YORK CITY, *November 28, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: In behalf of a number of manufacturers of men's straw hats I desire to submit for your consideration their views regarding the present tariff on straw hats, classified under Schedule "N," section 409, of the act of July 24, 1897, relying upon the party pledge for a revision of the tariff.

At the outset we desire to go firmly upon record as desiring two separate forms of relief and believe that we can satisfy the Congress that we are entitled to both:

First. An increase in the rate of duty now paid on straw hats, etc., classified under Schedule "N," section 409, of the act of July 24, 1907.

Second. A change in the duty from an ad valorem rate to a compound rate and an amendment to the present classification.

For the first time in the history of the men's straw-hat industry we are united on one proposition, and that is that the recent decided increase in the importations of foreign-made hats manufactured from straw braid is a serious menace to our industry. Intense, and sometimes bitter, rivalry exists between the manufacturers in our trade, the result of the close competition and struggle for business, but in our fight for protection at your hands and a preservation of the business we stand united. There is no combination in the trade, no arrangement as to the standard of prices, terms, or discounts; indeed, not even a trade organization exists.

The entire industry affected by this particular section of the tariff is not big by way of comparison with other industries, and yet we represent approximately a capital employed of nearly \$10,000,000, divided into 82 establishments and operating in 15 States. We employ nearly 6,500 wage-earners, substantially all of whom are men and women. Our product exceeds \$12,000,000 annually, all of which is sold in the United States, it being impossible for us to successfully compete in any foreign market.

We are large contributors to the Government for tariff paid on our materials and on our straw-hat bodies coming into the country in the rough shape.

Every single item out of which our hat is made and trimmed is purchased abroad, with the exception of some trimmings on the cheapest grades and some of the highest quality of silks on the best grades, but these domestic materials bear an infinitely small percentage to the entire consumption—indeed, too small to even mention.

We schedule here the materials contained in a straw hat, together with the rate of duty imposed:

	Per cent.
Straw braid	15
Straw braid (bleached, stained, or dyed)	20
Trimmings (silk bands and binding)	50
Satin (linings)	50
Cut leather	35
Lace (tips)	60

The United States does not produce the straw that is braided and forms the body of the hat. Every single dollar's worth is imported and straw-hat manufacturers contribute to the revenue of the Government (Evans's Compilation of Imports and Duties) an annual average of about \$400,000, reaching the high-water mark in 1907 of over \$500,000, for duty on braids, unbleached and bleached. It is impossible to accurately state how much duty we pay on our silks, satins, leathers, etc., but an annual duty of \$500,000 is not an unfair estimate. We also paid as duty on untrimmed hats nearly \$5,000,000 since the passage of the Dingley Act, as will be seen from the table herein.

Year.	Value.	Duty.
1898	\$543,244.57	\$190,135.60
1899	527,710.16	184,698.59
1900	687,370.50	240,579.71
1901	885,041.66	309,764.63
1902	1,322,747.02	462,961.43
1903	1,322,752.54	462,963.43
1904	1,093,645.33	382,789.90
1905	1,098,729.21	384,555.30
1906	1,865,432.95	652,901.54
1907	2,436,214.94	852,675.27
1908	2,031,359.71	710,975.92
Total.....	18,794,288.59	4,835,001.32

From a compilation of these statistics it will appear that our industry has been paying as revenue to the government an annual average of \$1,300,000 as duty upon our materials and bodies.

Are we not entitled to protection on our manufactured product?

It will be seen that the duty on all of our material scales from 15 to 50 per cent, and that the duty on the finished product is 35 per cent where the hat is untrimmed and 50 per cent where the hat is trimmed or ready to wear. So that it is readily observed that the difference in bringing the braid into the United States in its natural state and made into a hat body, shaped and blocked, is but 20 per cent and the difference in bringing in the braid, bands, bindings, silks, leathers in their natural state and when made into and placed on hat, averages from 22½ per cent to 25 per cent, taking into consideration the variable quantity of trimmings that enter into the making of a hat.

Can we compete against the foreign manufacturer with a protection of 20 per cent to 25 per cent on our product? This committee has heard a good bit of fact about cheap foreign labor and the straw hatting industry is no exception to the rule—a hat can be manufactured abroad at 25 per cent of the cost paid in the United States.

Now the labor cost on straw hats averages about 40 per cent of the net cost of the hat, so that if we receive but a protection of from 20 per cent to 25 per cent on the finished product and our labor costs us four times as much it is easily calculated that the foreign manufacturer can undersell us in the United States.

In order to give you gentlemen an accurate and intelligent comparison of the foreign-made and the domestic-made hats, we offer here two schedules showing the comparative costs, and the hats are identified as exhibits.

Schedule "A" (Exhibit 1) is the cost price of a straw hat manufactured in England and sold there to retailers at 30s., or about \$7.50, a dozen. This hat has been extensively sold in the United States and can be landed at the retailer's door in New York City at \$7.50 plus the duty of 50 per cent (\$3.75) and the transportation charges of 50 cents per dozen, making a total cost of \$11.75 to the retailer.

Against this hat we quote in Schedule "B" (Exhibit 2) the same identical hat, manufactured in New York City, showing a total actual cost of \$14.94, irrespective of any manufacturer's profit or interest on investment, as follows:

EXHIBIT 1.

SCHEDULE A.—*English-made hat sold in England for 30s., or \$7.50, and delivered in the United States for \$11.75, duty and charges paid.*

Material:	
Braid (15 per cent duty) -----	\$1.68
Band (50 per cent duty) -----	.59
Lace and satin (50 and 60 per cent duty) -----	.57
Leather (55 per cent duty) -----	.47
Thread -----	.18
	<hr/>
	\$3.49
Labor -----	1.88
	<hr/>
	5.37
Selling charges (5 per cent on \$7.50) -----	.38
Office expenses, etc -----	.55
	<hr/>
Actual cost -----	6.30
Discount (5 per cent on \$7.50) -----	.38
Profit (3 per cent) -----	.82
	<hr/>
	7.50
Duty (50 per cent) -----	3.75
Transportation -----	.50
	<hr/>
	11.75

EXHIBIT 2.

SCHEDULE B.—*American hat made out of same quality of material and sold for \$18.*

Material:	
Braid -----	\$1.94
Band -----	.88
Lace and satin -----	.90
Leather -----	.63
Thread -----	.18
	<hr/>
	\$4.53
Labor -----	7.50
	<hr/>
	12.03
Selling charges (7 per cent on \$18) -----	
	1.26
Office expenses, etc -----	1.65
	<hr/>
	14.94
Actual cost -----	14.94
Discount (7 per cent on \$18) -----	1.26
Profit (10 per cent) -----	1.80
	<hr/>
	18.00

It therefore appears that we have these bald differences in prices between two hats manufactured out of the same identical material:

Difference in cost of—	
Material	\$1. 04
Labor	5. 62
Selling charges .....	. 88
Office expenses	1. 10
	8. 64
Less duty (50 per cent)	\$3. 75
Transportation charges .....	. 50
	4. 25
	4. 39

We start out with an actual difference of \$6.66 between the actual cost of the labor and the material on a grade of hats sold in Europe at \$7.50 per dozen, so that the duty of 50 per cent is a long way from giving us the necessary protection. And when we attempt to figure the overhead charges, meaning selling expense, office expense, rent, etc., the range grows so wide that it becomes heartrending to us to elaborate on it in argument. The tables exhibited here represent real solid facts, and can be verified by any inquiry. It will be observed that the materials used in the American hat cost the same as the materials used in the foreign hat, plus the duty and transportation charges. There is no difference between the intrinsic values of both hats.

The same situation exists in all grades and reaches even larger proportions as the prices ascend.

The question presents itself, why does this difference exist? You know the difference in the cost of the material and you see that the labor on a hat is almost twice the investment of the material. We have given you the exact relative cost of the labor in both the United States and in Europe. This great difference in labor is but the growth of recent years and we are paying fully 50 per cent more to-day than we paid at the time of the passage of the Dingley Act, and European labor has not increased a single penny.

HAT IMPORTATIONS.

In order that our argument may appear orderly we quote the table of importations of trimmed hats or hats ready to wear.

Year.	Value.	Duty.
1898	\$36,654. 01	\$18,327. 03
1899	40,392. 91	20,196. 48
1900	61,261. 40	30,630. 74
1901	64,896. 64	32,448. 35
1902	51,166. 14	25,583. 14
1903	38,788. 62	19,394. 33
1904	49,526. 55	24,763. 31
1905	54,186. 49	27,093. 27
1906	88,772. 16	44,386. 09
1907	148,870. 77	74,435. 39

It will be observed that there was a large increase in 1907 and the climax of a gradual increase since 1898, and we desire to say a word or two on this subject. The finished hat imported did not seriously interfere with our home industry prior to 1906. At that time a strong

desire on the part of retailers to purchase felt hats manufactured in Europe manifested itself and naturally reflected the same desire as to straw hats. They were sold over the same counters and bought by the same buyers, and it has ever been that both industries have felt the same industrial and commercial changes. Quick to realize that felt hats could be bought abroad cheaper than at home, they sought the same market for straw hats, and soon ascertained that they could get the same grades and qualities as produced in this market at reduced values. Thus the tremendous increase in 1907 and 1908; and we state, with the facts in our possession, that the orders for the summer of 1909 will more than double the importations of 1908. And why not? We don't blame the retailer. We may talk as much as we will when we are trying to sell our own goods; that is "trade license;" but he can buy the same article we manufacture abroad at 25 per cent less, delivered at his door.

It is true that the skill of the European workman in years back made his article less sightly and therefore less salable, but that difference no longer exists. They have adopted American methods and American machines, and they meet us on an equal footing, and we can not face the parallel. It is deadly, and unless we have more protection, the straw hatting industry will gradually be a relic of the past and will be crucified by the failure of the Government to give it protection against a new condition.

RELIEF DESIRED.

We desire to change the form of duty to a compound rate instead of an ad valorem rate, in order to reduce the opportunity for undervaluation, and when this desire is expressed by the manufacturer we believe the Congress should grant it.

We further desire an additional classification because of evils which have grown up in the trade, and which, if remedied, will make the tariff a more equitable one. Under the present act we are affected by three classifications:

	Per cent.
Braid in its natural state.....	15
Straw hats manufactured, but not trimmed.....	35
Straw hats trimmed.....	50

There has been a tremendous increase in the importation of untrimmed hats, most of them from the southern countries of Europe and South America—a class of hats commonly known as Java, milans, leghorns, and panamas. These hats are imported into the United States usually in a rough condition; that is, only the body is made, and the hat is not even shaped or blocked. We can not manufacture these hats here; they are all made by the cheapest sort of peasant labor in tropical countries. We can shape, block, and trim the hats, and this work forms quite an important item in the industry.

Under the present schedule it is possible to shape and block these hats abroad and bring them into the United States at the same rate as if the shaping and blocking had not added to the value of the hat, because this labor still leaves the hat "untrimmed." Now these hats can be shaped and blocked abroad from 40 cents to 80 cents a dozen, while the same labor expended here to block and shape these hats cost from \$2.50 to \$3.50 per dozen, the net result being that these hats blocked and shaped come into the country with the added value of

blocking and shaping at the same rate as the unblocked body. Of course if the duty is to remain at an ad valorem rate this blocking and shaping adds value to the hat, and the duty is correspondingly greater; but if the Congress changes the rate as desired, a new classification must be introduced.

We therefore earnestly request you to give our statement earnest consideration, call for additional information if you will, make independent investigation, we hope, and revise the present act to give us the protection we need.

We therefore ask that the present act be amended as follows:

A. Braids, plaits, laces, and willow sheets or squares composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan suitable for making or ornamenting hats, bounets, or hoods, not bleached, dyed, colored, or stained, 15 per cent ad valorem; if bleached, dyed, colored, or stained, 20 per cent ad valorem.

B. Hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, partly manufactured but not blocked, shaped, pressed, or trimmed, 35 per cent ad valorem.

C. Hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, wholly or partly manufactured, blocked, shaped, or pressed, but not trimmed, valued at not more than \$6 per dozen, \$1 per dozen; valued at more than \$6 and not more than \$12 per dozen, \$2 per dozen; valued at more than \$12 and not more than \$24 per dozen, \$2.50 per dozen; valued at more than \$24 per dozen, \$3 per dozen; and in addition thereto on all the foregoing 35 per cent ad valorem.

D. Hats, bonnets, and hoods composed of straw, chip, grass, palm, leaf, willow, osier, or rattan, wholly or partly manufactured and trimmed, valued at not more than \$2 per dozen, 50 cents per dozen; valued at more than \$2 per dozen and not more than \$4 per dozen, \$1 per dozen; valued at more than \$4 per dozen and not more than \$7 per dozen, \$2 per dozen; valued at more than \$7 per dozen and not more than \$12 per dozen, \$4 per dozen; valued at more than \$12 per dozen and not more than \$18 per dozen, \$6 per dozen; valued at more than \$18 per dozen, \$8 per dozen, and in addition thereto on all the foregoing 35 per cent ad valorem.

Mr. H. B. Vanderhoef represents the following: Bringham-Hopkins Company, Knox Hat Manufacturing Company, Blum & Koch, Montague & Gillet Company, Samuel Mundheim Company, John Zimmermann & Sons, Philadelphia and China Trading Company, M. M. Booth & Co., The Hills Company, J. S. Plummer & Co., Oliver & Co., Vanderhoef & Co., M. S. Levy & Sons, Townsend-Grace Company, M. S. Morj & Co., Isler & Guye, Dearbergh Brothers, W. J. Dixon & Co., Walser Manufacturing Company, Chas. Levy & Sons, and Geo. B. Burnett & Sons.

STATEMENT OF O. H. WASHBURN, OF 12 BROADWAY, NEW YORK CITY, N. Y., RELATIVE TO STRAW BRAIDS.

SATURDAY, *November 28, 1908.*

Mr. WASHBURN. Mr. Chairman and gentlemen of the committee, five minutes will do; and I want to direct your attention to the straw-braid paragraph, 409, about which there has already been a little discussion to-day. I wish to call attention, not so much to the rate of duty which that paragraph provides, as to the phraseology. The part of which I complain is this:

Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem.

As you are aware, the act of 1897 provided for the first time for a rate of duty upon straw braids. Prior to that they were on the free list. The act of 1897 for the first time inserted the word "wholly." That paragraph has been construed by the courts, by the circuit court of appeals at New York; and as a result of the construction which that court has placed upon that paragraph, straw braids which are sewn or woven with cotton thread (the cotton thread being used only as a binding material to hold the strands of straw together) have been held not to be braids of straw, although they are braids of straw just as much as this coat that I wear is a woolen coat, although it is lined with other material and has buttons of other material. They have, therefore, been classified as "manufactures of straw," paying exactly twice as much duty as it was the intent of Congress it should pay, to wit, 15 per cent ad valorem; and that is the rate provided in paragraph 409. They pay 30 per cent under paragraph 449.

What we ask of this committee is this—that the word "wholly" be stricken out, so that braids of this character, samples of which I pass up, the chief value of which is straw, may be classified under the straw-braid paragraph, where they really properly belong.

That is my first point.

Secondly, the next clause of the paragraph provides:

If bleached, dyed, colored, or stained, twenty per centum ad valorem.

That means "bleached or dyed in the piece," because, as was pointed out this afternoon, there are no straw braids made in this country. It is quite immaterial to my clients whether that rate of duty is retained or not. They do not care anything about that, because, as a matter of fact, these straw-braid dealers have their own bleacheries and their own dyeing plants. They do that work themselves as their orders require. But that rate of duty catches a certain class of variegated braids, such as the sample I hand up to you, some of the individual strands of which are dyed, other individual strands being unbleached. The result is that they are classified as bleached, dyed, colored, or stained, at 20 per cent ad valorem, although this paragraph was inserted to protect certain dyeing plants in this country which buy these goods in the piece.

Therefore, what I want to suggest (and I will file a brief in ample time; I am asking in the meantime only for this, and I think I have made the point clear) is this:

First, paragraph 409: "Braids, plaits, laces, and willow sheets or squares, composed of straw" (striking out the word "wholly"), "chip, grass, palm-leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, fifteen per centum ad valorem."

That is practically no change from the present act, because it simply strikes out the word "wholly."

If bleached, dyed, colored, or stained in the piece, twenty per centum ad valorem.

I will amplify that point in the brief which I am to file.

BRIEF SUBMITTED BY O. H. WASHBURN, NEW YORK CITY, RELATIVE TO CLASSIFICATION OF STRAW BRAIDS.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully invite attention to paragraph 409 of the present act, which now restricts the hat braids, plaits, and laces therein mentioned to such as are "composed wholly" of straw, chip, grass, palm leaf, etc. The courts have felt obliged to construe this provision strictly, and accordingly various straw braids stitched or woven together with a cotton thread, without which they could not be held together or held to be a merchantable article, have been excluded from the provisions of this paragraph on the ground that they are not composed wholly of straw. This ruling (*Schmitz v. United States*, 146 Fed. Rep., p. 127) has affected unfavorably the importation of certain varieties of foreign hat braids which are of peculiar design and are not produced in this country. The cotton thread which is used as binding material is necessary to keep the straws together, as otherwise they would fall asunder, and is the most inexpensive binding material that can be employed. Its cost is insignificant. It does not seem to us that it is the intent of Congress to require importers of braids of this character to pay a duty of 30 per cent ad valorem, as they are required to do at present under paragraph 449 (which is just double the duty provided for in paragraph 409) upon straw braids—merely because the straw braids that they import are stitched or woven with cotton thread. Because of this situation importers of braids of this character have been obliged to cease almost entirely importing straw braids stitched with cotton thread, and to import instead straw braids stitched with one of the vegetable fibrous materials mentioned in the paragraph in order to compete with other straw and chip hat braids which pay only a 15 per cent duty.

Your honorable committee is no doubt aware that paragraph 518 of the McKinley Act of 1890 provided for the free entry of the braids, plaits, etc., composed of straw, chip, grass, and the like, suitable for making or ornamenting hats. The same liberal provision was preserved in paragraph 417 of the act of 1894. Indeed, goods of this character were made dutiable for the first time under the present act. At the same time, the words "composed wholly" were inserted, which have had an effect not intended, as we believe, by the framers of the act. We do not desire to be understood as asking for the restoration of straw hat braids to the free list, though such a step is much to be desired, and would not conflict with any domestic industry, but we do urge upon this honorable committee that the language of the first clause of paragraph 409 be amended so as to conform more exactly to that found in paragraph 518 of the McKinley Act of 1890, by striking out the word "wholly." We would suggest the reenactment in the new tariff of paragraph 518, which was as follows:

518. Braids, plaits, laces, and similar manufactures composed of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, and hoods—

not bleached, dyed, etc. It will be observed that while the first clause of paragraph 409 is restricted to such braids, plaits, etc., as are composed wholly of straw and the like, the provision for straw hats, bonnets, and hoods contains no such restrictions, but provides for hats, bonnets, and hoods composed of straw. The result is that straw hats in chief value of straw, untrimmed, are required to pay a duty of 35 per cent ad valorem, whereas some straw braids in chief value of straw, which are used in making hats, are required under the present act to pay a duty as high as 30 per cent ad valorem, although it has been the policy of former acts to admit such braids free.

OLIVER Co.

A. ENGLE.

JOHN ZIMMERMANN Co.

T. DERGUN.

ZIMMERMANN & MARX.

J. S. PLUMMER & Co.

EXHIBIT A.

NEW YORK, *November 27, 1908.*

MESSRS. COMSTOCK & WASHBURN,
New York City.

DEAR SIRS: Referring to the conversation we had with your representative, we herewith take the liberty of calling your attention to a further irregularity in the present tariff regarding straw braids. The same reads as follows:

Braids, plaits, laces, etc., not bleached, dyed, colored, or stained, 15 per cent ad valorem; if bleached, dyed, colored, or stained, 20 per cent ad valorem.

It is clear, and in fact we know it to be a fact, that the 5 per cent extra for braid bleached, dyed, stained, etc., was put in to protect the two dyeing concerns which were in existence at the time the tariff was made, and which are practically consolidated to-day, and do almost all the bleaching and dyeing for some of the trade, which, however, amounts only to the five one-hundredths part of what is imported, inasmuch as all our largest manufacturers dye and bleach their own goods and do not need any protection. There is actually no dyed braid imported at all and very little bleached goods, not because the 5 per cent additional duty keeps the manufacturers from using foreign dyed or bleached braid, but, as pointed out above, because most of them dye their own braid, which they do just as well as any foreign dyer, and they naturally dye the braid as they need it, and could never afford to have braids dyed on the other side on account of the loss of time.

With the bleaching it is a little bit different, inasmuch as some manufacturers give to a certain braid (called Tientsin square make mottled) the preference to goods bleached on the other side over domestic bleach, which former is superior to the latter, but here, too, the bulk of the goods are bleached in this country by the manufacturers' own bleachers.

There is, consequently, no excuse for having the additional 5 per cent on imported bleached and dyed goods, inasmuch as even when

there was no duty on straw braids no manufacturer ever thought of having his goods bleached or dyed abroad, as the colors may change almost every week and he dyes and bleaches the goods as he wants them, and as he has his own dyer in his factory he will naturally get whatever he requires within twenty-four hours, and exactly in the shades he needs.

Under the present interpretation of the tariff we have not only to pay 20 per cent on bleached and dyed goods, but also on what we call "variegated" goods, which are either made of natural straw mixed with colored straw, or occasionally also of bleached straw mixed with colored straw, but such effects can never be produced by any dyer in the piece. The raw material has to be dyed and then plaited with natural or bleached straw. There is, consequently, a tax of 5 per cent on this braid which was never intended, nor could it ever benefit any dyer or bleacher. We inclose a long cutting which shows plainly enough that the raw material for these variegated braids must first be dyed, and that such effects can never be produced by dyers here, and consequently do not need any protection.

We remain, dear sirs, yours, very truly,

**BRAID MANUFACTURERS WISH AN INCREASE OF DUTY ON
ARTICLES MADE FROM STRAW BRAID.**

NEW YORK CITY, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We recommend the insertion of the following new paragraph in Schedule N, sundries:

Trimmings, medallions, ornaments, or garnitures made of braids, or in which braid is the component material of chief value, shall pay the same rate of duty as imposed in this act on such braids, and, in addition thereto, a duty of twenty per centum ad valorem.

It is hardly necessary to point out to your committee that trimmings, medallions, ornaments, etc., made from braid require additional labor in manufacturing same.

This labor is mostly hand sewing, and is done at very low prices in the manufacturing districts of Europe. The cost of similar labor in this country is from three to five times as much as in Europe.

We therefore ask for the very moderate protection of 20 per cent ad valorem to compensate for this difference in labor, so as to enable the American manufacturer to compete.

Respectfully submitted by the Braid Manufacturers' Association of the United States.

HENRY W. SCHLOSS, *President.*

ITALIAN CHAMBER OF COMMERCE, NEW YORK CITY, ASKS REDUCTION OR REMOVAL OF STRAW BRAID AND OTHER DUTIES.WASHINGTON, D. C., *December 1, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under Schedule N, sundries, of the present tariff the Italian Chamber of Commerce in New York respectfully submits to this honorable committee the following recommendations and arguments for the reduction or removal of duties on the articles hereunto specified:

PARAGRAPH 409—STRAW AND WILLOW BRAIDS AND PLAITS FOR MAKING OR ORNAMENTS HATS AND BONNETS.

The above stated and kindred materials for the making of straw or willow and similar hats and bonnets are now subject to a duty of 15 per cent ad valorem if not bleached or dyed, and of 20 per cent if bleached or dyed. The importation of such materials for consumption in the United States during the year ending June, 1907, amounted respectively to \$2,984,566 and \$508,993, while their total importations, irrespective of classification and quantity destined to home consumption, amounted in the same year to \$3,988,033, of which \$674,374 from Italy, \$1,747,703 from China, \$636,628 from the United Kingdom, \$444,320 from Japan, and \$146,107 from France, which are the most important sources of supply for this material.

Although a manufactured product, not being, however, by itself a finished product, it has practically the character of a raw material necessary for the making of straw hats; and as no such material is, to our knowledge, manufactured in the United States and can not be produced, owing to the absence of certain factors, which is impossible to remedy with the tariff, and therefore no reason exists for protective duties, the above-stated rates should be reduced and one group, at least of these articles, viz, that of straw braids and plaits, not bleached or dyed, representing six-sevenths of the total importation, should be placed on the free list, in order that American labor may benefit to a greater extent from the manufacture in this country of the finished article.

PARAGRAPH 409—STRAW AND WILLOW HATS AND BONNETS.

These articles of wearing apparel, which are so essential to the comfort of our population during the warm summer months, pay at present at the rate of 35 per cent ad valorem if not trimmed and of 50 per cent ad valorem if trimmed. The amounts entered for home consumption in fiscal year ending June, 1907, were, respectively, of \$2,436,214 and \$148,870, which figures show that the finishing of the hats, the most profitable part of the business, is done in this country to the advantage of American labor. Italy alone supplied in fiscal year 1907, \$870,172 of straw hats, followed by South America, with \$684,305; France, with \$367,261; Mexico, with \$279,583.

While this chamber is not asking for any reduction of duty on the finished hats, it believes, however, that a reduction should be made

in the rate of duty on such lines as "Laghorn rough" and willow hats, representing a cheaper article than the Panamas and destined to the consumption of the masses of our population, who feel most the strain of the increased cost of living.

PRECIOUS STONES—CORAL, AND MANUFACTURES OF.

Coral, in its natural state, is exempt of duty, and this chamber recommends it should remain on the free list, as there is no coral produced in the United States and hardly any imported in such condition. The following refers to manufactures of coral, viz, coral cut and polished, but not set:

Although this article is now improperly classified under paragraph 115, Schedule B, marble and stone, and manufactures of, of the present tariff, subject to a duty of 50 per cent ad valorem, we contend it should be classified as "precious stones" under paragraph 435, subject to a duty of 10 per cent ad valorem. To this it can lay the claim of precedent.

On no other article, perhaps, has the application of duties under the present tariff been so erratic and changeable as on coral, according to the interpretation given to the law by customs collectors, which has been the cause of great prejudice to coral interests, thus confronted by the abnormal situation of never knowing exactly how they stand in such important matter as duty, and also the cause of conflict between collectors of customs and the Board of General Appraisers.

Upon the appeal of coral interests against the classification of manufactures of coral as manufactures of marble and stone, subject to the 50 per cent rate under paragraph 115, the board rendered a decision classifying them as "precious stones" under paragraph 435, and for some time they paid duty as such at the rate of 10 per cent ad valorem. For the last six months, however, they have by the collector of customs been put back to paragraph 115 and duty charged at the rate of 50 per cent ad valorem.

The injustice of classifying manufactures of coral as manufactures of marble and stone merely for the fiscal purpose of charging a higher duty is self-evident, as coral goods undergo hardly any manufacture, save a little cutting and polishing, and have essentially the character of precious stones in their use by the people. They supply a popular demand, generally among classes of less affluent means, who can not afford expensive stones and who should not be deprived of the pleasure of wearing such if they so desire. Although there are some expensive kinds of coral, this article may be qualified as essentially the "poor man's precious stone," and therefore should not be charged such exorbitant duty as 50 per cent.

Not only is no coral produced, but none is cut or manufactured in the United States. There is therefore no need of protection. Never was the consumption of cut and polished coral so notable in the United States, nor the revenue from this article so satisfactory, as when it was admitted at the rate of 10 per cent ad valorem, which encouraged consumption. A higher duty, such as the present 50 per cent rate, is simply prohibitive and also prejudicial from a revenue standpoint. A 10 per cent rate under paragraph 435, while not unfair to the coral interests, would encourage consumption and revenue.

This chamber unites with the Jewelers' Board of Trade, of Maiden lane, New York, in their respectful request to this honorable committee that coral manufactures be removed from paragraph 115 and classified as "precious stones" under paragraph 435 of the present tariff, subject to an ad valorem rate of 10 per cent.

HIDES OF CATTLE.

They come under paragraph 437 of the present tariff, subject to a duty of 15 per cent ad valorem. Why such duty was imposed in 1897 on cattle hides, after having been free of duty for twenty-five years previously, is still unexplained, and this radical departure in revenue legislation, from which not the slightest benefit has derived to the farmers, who, like all consumers of leather, have instead suffered from it by reason of the increased price of shoes and other leather goods, stands for early repeal.

The imposition of this duty has not advantaged revenue to any great extent, the Government deriving little over \$2,000,000 from it, while, with a domestic hide supply too small for and about one-third less than the requirements of the domestic consumption of leather and which, unlike manufactured products, can not be increased at will, hides being as a by-product dependent upon the number of cattle slaughtered, it places limitations on the opportunities of the great tanning and leather industries of this country, which a wise economic policy should maintain instead, as wide as possible, in the interest of American labor, which would find increased employment by the unshackled development of such industries. This benefit now goes to the manufacturing countries of Europe, which, by admitting hides free of duty, are thus enabled to convert the surplus hides of other countries into articles for the export trade of the world and in competition with similar American goods.

The decreased exports of sole leather from the United States, from 45½ million pounds in fiscal year 1895 to 31½ million in fiscal year 1908, of which the duty on hides has been the cause; the absence of any benefit accruing to the farmers from such duty (cattle prices being regulated by the demand for beef for food and the higher or lower rates paid for hides having no relation to the prices paid for cattle on the hoof, hides having often been dearer when prices for cattle are cheapest), with the positive injury of the greater cost for shoe and harness leather, of which farmers are perhaps the greatest consumers; the impossibility of rendering the domestic supply of hides adequate to the requirements of the domestic consumption and exportation of leather, cattle being raised for beef and not for the hide, which is a by-product and not a factor of the price paid for cattle on the hoof; the injury derived from the duty on hides to other lines of industry by reason of the increased cost of belting; the artificial increase of value from 5 cents in 1896 to 6 cents in 1907 per pound on the hides to the sole benefit of a few packers tending to monopolize the supply; the necessity for protection to American labor by promoting such great interests as represented by the tanning and leather industries, with an annual output of goods worth about \$700,000,000, an invested capital of about \$400,000,000, and annual wages paid to the amount of over \$100,000,000, an industry which finds such favorable conditions in this country

not only by reason of the great number of cattle produced, but also by the abundant supply of material of the best kind, such as furnished by the great oak, hemlock, and chestnut forests of the United States, for the tanning of leather; these are only some of the many arguments that could be stated in support of the repeal of the duty on hides, and the restoration on the free list of this raw material, so vital to the leather-trade expansion of the United States.

GLOVES OF KID OR OTHER LEATHER.

The present duties on this article, ranging from \$1.75 to \$6.15 for ladies' gloves and from \$3 to \$5.80 for men's gloves, are excessive, representing an increase on the original cost from about 21 to over 81 per cent, but objection is made to the present rates especially because they are not proportionate to the value of the article. For instance, ladies' unlined gloves not over 14 inches in length, costing \$5.05 per dozen pairs, pay a duty of \$2.50 per dozen—that is, at the rate of 49.48 per cent—while a much more expensive glove, over 14 and not over 17 inches in length, lined, costing \$15.08 per dozen pairs, pays a duty of \$4.75 per dozen, or at the rate of 30.78 per cent. It would be reasonable that a glove more expensive than another should pay proportionately higher duty, but this principle is not adhered to in the duties on this article, and cheaper grades of gloves pay a much higher ad valorem rate than more expensive grades, which is unjust.

Gloves are not a luxury, but a necessary article of wearing apparel, and should not be taxed such high rates. It appears, moreover, to this chamber that a better distribution and systematizing of the burden of duty on this article, so as to make the rates more equitable and proportionate to the value represented by the goods, is recommendable, both in the interest of consumers and revenue.

WORKS OF ART.

A feature of the present tariff that calls loudly for repeal is paragraph 454, imposing a duty of 20 per cent ad valorem on works of art, which has been reduced to 15 per cent in the case of works of art from countries having entered into reciprocity treaties with the United States (France, Germany, Italy, Spain, Switzerland, and Cuba).

Works of art exert a great educational influence on the people, and in a country like this, which, through its admirable educational system and institutions, can point with justifiable pride to the high standard attained in this essential element of national life and progress, it seems an irony to maintain a duty on such an important educational factor as works of art.

As the national resources of this country have been developed and the affluence of its people increased, the necessity of cultivating to a more adequate extent the artistic sentiment, of encouraging and developing the study of the fine arts and the application of arts to manufactures and practical life, is being more and more recognized.

Why should not Americans attain as high a proficiency in art as they have already achieved in other lines of endeavor? To promote this end, however, opportunities for study and cultivation of art must be brought nearer to the people and made accessible not only to the wealthy, but to all classes of our population, and this can only be stim-

ulated through a liberal policy in opening, instead of shutting, as we do at present, our doors to artistic productions from all other countries.

In all the most advanced countries of the civilized world works of art are admitted free of duty, and this country should not take an anomalous stand by maintaining a duty which serves but little purpose even from the standpoint of revenue, the Government deriving yearly but \$774,409 from it.

The discrimination in favor of the production of American artists residing temporarily abroad, which is admitted free of duty, when the universal purport of art is considered, does not invalidate the plea of this chamber for the restoration of works of art to the free list.

At all events this chamber wishes to recommend an amendment to paragraph 454, viz, the suppression of that part running as follows: "But the term 'statuary,' as used in this act, shall be understood to include only such statuary as is cut, carved, or otherwise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and as is the professional production of a statuary or sculptor only."

According to the present construction of the foregoing by the collector of customs, a cast-bronze statue is not considered a work of art, but a manufacture of metal dutiable at the rate of 45 per cent ad valorem under paragraph 193. This is unjust, and the cast-bronze statue (casting being the necessary process of production), provided it is the professional production of a statuary or sculptor only, should be dutiable as a work of art.

In case works of art are not placed on the free list, this chamber desires to submit further recommendations, viz:

(a) That no duty should be charged on breakages, which are anything but rare, and which practically destroy the value of the work.

(b) That the market value of a work of art on which duty is assessed should be the price actually paid to seller at its place of origin, and not the value placed on such work by dealers on such markets as Rome, Florence, Venice, Paris, and London, which includes often heavy charges for freight, storage, and middleman's profit.

Respectfully submitted for the Italian Chamber of Commerce, in New York.

E. MARIANI, *Vice-President.*

G. R. SCHROEDER, *Secretary.*

THE R. H. COMEY COMPANY, CAMDEN, N. J., FILES SUPPLEMENTAL BRIEF RELATIVE TO STRAW AND CHIP BRAIDS.

CAMDEN, N. J., *December 3, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

HONORABLE SIR: Supplementing our memorial submitted a few days ago, we can not impress too strongly upon you the fact that the

threatened Japanese and Chinese competition, of which we spoke in our first memorial, is not fancied or imaginary, but entirely real.

We have had repeated letters from Japanese students in this country requesting permission to go through our factories, which, of course, we have been compelled to refuse.

We have also had a visit from the president of the Japanese Manufacturers' Association, who was accompanied by four young Japanese, who also wanted to go through our plant.

The Japanese have already sent over braids dyed black, and there is no doubt but what they are working with a view of taking up the proposition of dyeing and bleaching these braids before exporting them to America.

The present tariff duty, which protects us to the extent of only 5 per cent ad valorem against European competition, is entirely inadequate, and if we are compelled to face Japanese competition there is no question but that our business will be ruined.

We assume that the dyeing and bleaching of straw and chip braids, based upon the number employed in our factories, gives employment to at least 2,000 people in our country. This means bread and butter for probably 8,000 more.

The English take advantage of their low labor cost by producing results in white and colors superior to anything we can produce for the same money here.

The Italians, while their results generally are not as good as ours, are able to pay the extra duty and export dyed and bleached braids to this country at prices considerably below ours.

The fact that \$509,000 of dyed and bleached goods came in from Europe last season, out of a total of about \$1,800,000, or approximately one-third, we think is sufficient to show that this European competition is injurious to our business to an alarming degree, aside from threatened Japanese competition, and we hope you will give us the protection asked for in our petition first submitted.

As far as the ultimate cost of the goods to the actual consumer goes, we would state that the dyeing and bleaching cost per dozen hats will not average 50 cents per dozen. You will readily see that a small additional duty on the dyeing or bleaching cost can not possibly affect the price to the consumer of men's hats, which are retailed at anywhere from \$1 to \$5 each. Nor can it affect the price of ladies' hats to the consumer, as they are retailed at any price from \$1 up to \$10 for average quality, and the prices depend entirely on fashion or style.

The increased duty we have asked for can not possibly work any hardship upon anyone, and will certainly result in giving employment to a considerable amount of American labor, and at the same time actually result in increased revenue to the Government on account of the additional dyes and chemicals dyers and bleachers could consume, which dyes and chemicals are mostly imported and are taxed higher in proportion than the dyed and bleached straws are.

Naturally the few importers of straw and chip braids will be opposed to any advance in duty on dyed and bleached straw braid, as it will, to a certain extent, affect their profits; but, as we understand it, the Ways and Means Committee is considering the average American's pocketbook, rather than a few importers, and we trust that

you will agree with our view of the matter and grant our request to increase the duty on dyed and bleached straw and chip braids from 20 per cent to 30 per cent ad valorem.

Yours, truly,

R. H. COMEY COMPANY,
L. A. GOODWIN, *Secretary*.

SUPPLEMENTAL STATEMENT FILED BY H. B. VANDERHOEF, NEW YORK CITY, FOR MANUFACTURERS AND IMPORTERS OF STRAW BRAIDS AND HATS.

WASHINGTON, D. C., *December 12, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives:

GENTLEMEN: This memorial is presented in behalf of the straw-hat manufacturers and importers of straw braids hereinafter named, and I beg leave to submit the following statement of facts and requests, supplementing the statement heretofore made by me before your honorable committee on November 28, 1908, and the brief filed by me in conjunction with the said statement.

The statement heretofore submitted was hastily prepared, we having but a short notice that an opportunity would be given to manufacturers to appear before your committee, and since that appearance concerted action has been effected among the manufacturers of men's straw hats, ladies' straw hats, and the importers of straw braids, and the requests hereinafter submitted represent the desires of the united trade.

We are concerned with paragraph 409, Schedule N, of the act of July 24, 1897, and we desire the following specific changes in this paragraph. We quote herewith in the left-hand column the first portion of the paragraph as at present enacted, and in the right-hand column the proposed paragraph as amended with the amendments which we desire in italics.

Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem; if bleached, dyed, colored, or stained, twenty per centum ad valorem.

Braids, plaits, laces, and willow sheets or squares, *the chief component part of which is composed of straw, chip, grass, palm leaf, willow, osier, rattan, horse hair, cuba bark, or manila hemp,* suitable for making or ornamenting hats, bonnets, or hoods, *natural,* bleached, dyed, colored, or stained, fifteen per centum ad valorem.

In order that the committee may have a clear and intelligent conception of our argument we have prepared a number of exhibits showing substantially all of the various characters of braids suitable for ornaments or making hats and which we file herewith.

PROPOSED AMENDMENT A.

It will be observed that the first insertion in the language of the proposed amendment includes the words "the chief component part of which" and excludes the word "wholly." The purpose of this

proposed amendment has already been laid before you in a statement submitted by Mr. O. H. Washburn on November 28. We respectfully confirm all of the statements made by Mr. Washburn. This amendment is aimed at a particular class of straw braids known as Ex. Nos. 15 and 16, and if the committee will only examine these exhibits they will readily indicate that the suggestion we make is one supported by reason and logic. This character of braid is imported into this country and is made, substantially, wholly out of straw, and yet not "wholly" out of straw viewing it from a legal interpretation, because the straw embroidery is sewed to the straw braid with "cotton." Now, this "cotton" forms an infinitesimal small part of the straw braid—in fact, less than one-thousandth part of the value—and yet by reason of this cotton in the braid it has been classified under "manufactures of straw and cotton" and pays a duty of 30 per cent. The purpose of the braid, and the only purpose, is to make or ornament hats and bonnets, and it certainly should come under the same classification as other straw braid.

PROPOSED AMENDMENT B.

We propose to insert the words "horsehair," "manila hemp," and "cuba bark" in the general classification, these words not existing in the act as at present constructed. "Horsehair" braids properly belong in this classification when the braids are suitable for and are to be used for making or ornamenting hats. This class of braids (Ex. 24 and 25) is manufactured out of horsehair coming from Russia and made into the braid in Switzerland. It is knotted into threads, put on spools and made into braids, cleaned, bleached, and imported into this country.

In a decision of the United States circuit court of appeals, second district, suit 5029 (*Paterson v. The United States*), decided November 16, 1908, it was held that horsehair braids suitable for making or ornamenting hats should be properly classified under paragraph 409, and we refer your committee to this decision, and only ask that you place this character of braids in the same classification that the United States courts have determined it properly belongs.

PROPOSED AMENDMENT C.

We have inserted the words "manila hemp," and respectfully request this amendment, for the following reason: There was imported into this country prior to the passage of the Dingley Act considerable quantities of braid, suitable for making and ornamenting hats, made out of "manila hemp," and on this "manila hemp" braid we are now paying a duty of 60 per cent. This hemp comes exclusively from Manila, in the Philippine Islands, and should be classified the same as ordinary "straw" braid and "horsehair" braid. Every single inch of it is imported from foreign countries and can not be produced in this country. Prior to the passage of the Dingley Act these braids came in under the same classification as straw braids, etc., but under the construction of the act of 1897 have been classified as "manufactures of vegetable fiber," and we are paying 60 per cent duty. This is a prohibitive duty on this particular braid, and as a result thereof there has been no appreciable quantity imported since 1897.

We respectfully submit that this braid should be classified under paragraph 409, because its use, like the other classifications in this paragraph, is for the ornamenting and making of hats.

PROPOSED AMENDMENT D.

We have further inserted the words "cuba bark." This proposed amendment covers a class of braids made out of the shavings from the trunk of a tree in connection with the straw, and the braid is used and only suitable for making and ornamenting hats, and we therefore respectfully submit that this particular braid properly belongs under the classifications in paragraph 409. This character of braid has been classified by the board of appraisers as properly belonging in the paragraph 409 under the similitude clause, and we wish to have this character of braid properly classified legislatively rather than by a quasi judicial classification.

In conjunction with all of the foregoing, it will be observed that we have asked for these amendments in order to right an injustice accorded to all persons who in any way are affected by the use of these three particular characters of braids, all of which are used exclusively for the making or ornamenting of hats.

The manifest purpose of paragraph 409 was to cover all character of braids from which straw hats, bonnets, etc., were manufactured or ornamented, and it is unfair to prefer several classes of braid over other classes when consideration is given to the fact that all of these classifications are the exclusive product of foreign countries, the same as straw, chip, etc.

BLEACHED, DYED, STAINED, ETC., BRAIDS.

We desire to go firmly on record as being decidedly opposed to any increase in the duty on bleached, dyed, colored, or stained braids, as contended for by the firms of R. H. Comey & Co. and Parsons & Co. in the memorial submitted to your committee on November 28, 1908.

These bleached, dyed, colored, and stained braids now pay a duty of 20 per cent, or 5 per cent additional more than when they come in their natural state, and there is no sound reason why there should be any higher duty upon the braid, dyed, or bleached, etc., than in its natural state, notwithstanding any statements to the contrary before your committee. We go firmly upon the record as authoritatively stating that substantially all of the bleached, dyed, and stained braids which are now imported are of a character which can not be produced in the United States. Every opportunity has been given to the United States bleachers and dyers to produce this bleach, but they can not succeed in doing it, and the manufacturers and importers have been obliged to import these braids bleached from abroad. Indeed, if it were possible to obtain it in this country it would be decidedly to their advantage, as it would involve less risk.

All of the braid which comes into this country in its natural state must first be bleached or dyed before it can be manufactured into a hat, and practically all of this bleaching or dyeing not done by the manufacturers themselves is done by the two firms who ask for the increase. These two firms are actually one and the same, and these two establishments, or this one combination, in turn controls the entire bleaching industry in this country. They have established a uniform schedule of prices, which the manufacturers and

importers must pay because there are no other establishments well enough equipped to successfully do the work. If it were any protection to these two firms we should not desire that this additional 5 per cent be removed, much less oppose an increase. The bleached, colored, dyed, and stained braids which are imported are, commercially speaking, raw material in all respects similar to the braids which come into this country in their natural state.

There has been no decided increase in the importations of bleached, dyed, etc., braids, as contended for by the bleachers, and where there has been any increase in any particular year, it has been due solely to the vagaries of style and fashion increasing the demand in certain years for dyed and stained braids of a character which can not be successfully dyed or stained in this country. Indeed, the argument of the bleachers appears ridiculous to the minds of persons familiar with the sensitive changes of fashion, and it would be the height of business folly to import quantities of dyed braids and subject the importer to the risk of a change in style and fashion if the same braids could be dyed or stained in the United States. Whenever there is a possibility of obtaining the dyed or bleached article in this country, the United States bleachers invariably get the preference, even at additional cost.

We think the best answer we can give to the argument of these two bleaching establishments is that all large manufacturers of straw hats bleach and dye practically all of their own goods, and if it were possible to buy the bleached and dyed article abroad cheaper than having it bleached and dyed in this country these manufacturers would not invest a large amount of capital in these dyeing and bleaching plants, but would import the bleached and dyed braid from abroad, and in considering this argument it must not be overlooked that the braid is all imported. This class of manufacturers have no interest in this particular rate, but we are answering the argument of the bleachers solely in the interest of those manufacturers who have no bleaching plants of their own and who do not desire to be left at the mercy of this bleaching trust, which has exclusive control of this particular industry in the United States.

If this increased duty of 10 per cent desired by the bleachers is granted, the additional taxation must be borne by the consumer, for the same per cent of profit will be added to the cost of the dyed braid before the dyed braid reaches the consumer in the shape of a finished hat.

Are all the wearers of colored straw hats to be sacrificed and charged an additional price to benefit two bleaching establishments who have already "waxed fat" in an industry which they practically monopolize?

In order that the committee may have the benefit of a comparative table, we quote an example showing the cost of foreign and domestic bleached "Milans," a character of straw braided in Italy.

100,000 pieces natural Milans at raw price in Italy (36 cents per piece).....	\$36,000
15 per cent duty on raw braid.....	5,400
	41,400
Bleaching cost of R. H. Comey & Co. as per their price list of 1907-8 (5 cents per piece).....	5,000
	46,400

100,000 pieces bleached Milans at bleached price (41 cents per piece—25 cents, or 5 cents, a piece more than natural).....	\$41,000
20 per cent duty on bleached goods, present tariff.....	8,200
	49,200
100,000 pieces bleached Milans at bleached price (41 cents per piece).....	41,000
30 per cent duty on bleached goods, new tariff.....	12,300
	53,300
Protection for dyers and bleachers at present tariff.....	2,800
Protection and consequent possibility of raising prices for dyers and bleachers at new tariff.....	6,900

It will be observed that under the present duty there is ample protection for the domestic bleacher, and if the duty is raised to 30 per cent it will be prohibitive in every sense of the word. Place our table side by side with the bleacher table and make an independent investigation. This bleached Milan and bleached 3-end chip constitute fully 75 per cent of the entire importation of all bleached braids into the United States from all countries. The bleached Milan is bleached in Italy, and the 3-end chip, although of Italian production (Carpi-Modena), has to be shipped to Luton, England, to be bleached, for the very reason that not even in Italy can they give the same satisfactory result as they do in England; and even if the duties were raised to 30 per cent the manufacturers would be compelled, on account of the superiority of the article, to use imported bleach, and this to the detriment of the consumer. The increased taxation would affect the masses of the people, as these braids in particular are used by the masses throughout the country. No bleached braids are imported from China or Japan, nor ever likely to be.

HATS BLOCKED OR SHAPED, BUT NOT TRIMMED.

We further beg leave to suggest that we withdraw the request heretofore made that there be an additional classification and marked "Classification C" in our brief heretofore submitted. We find that the character of hats set forth in that classification comes wholly from foreign countries and are finished there, except the trimming, and we do not desire the duty increased.

TRIMMED HATS.

We further respectfully submit that in the hurried haste in which our former statement was prepared, we did not convey to the committee the precise protection which we needed upon the finished hat in order to equalize the difference between the cost of production in the United States and the cost of production in Europe. Our statement was complete enough in indicating the difference in the cost of materials and the cost of labor, etc., and we therefore will add nothing further, except to suggest the rate of duty which we deem necessary to equalize the difference in the cost of production and place us upon an equal footing with the foreign manufacturer. We can not lay too much stress upon this finished product, and again urge you to please give serious consideration to the facts we have heretofore stated. We lay before you actual facts, not contemplated facts or speculative theories.

We therefore ask the present act be amended in the following form, in so far as it applies to our industries:

Braids, plaits, laces, willow sheets and squares, the chief component part of which is composed of straw, chip, grass, palm leaf, willow sheets, horsehair, manila hemp, cuba bark, or rattan suitable for making or ornamenting hats, bonnets, and hoods, natural, bleached, dyed, colored, or stained, 15 per cent ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow sheets, osier, or rattan, whether wholly or partly manufactured, but not trimmed, 35 per cent ad valorem; if trimmed and valued at not more than \$1 per dozen, 50 cents per dozen; valued at more than \$1 per dozen and not more than \$2 per dozen, \$1 per dozen; valued at more than \$2 per dozen and not more than \$3 per dozen, \$1.50 per dozen; valued at more than \$3 per dozen and not more than \$4 per dozen, \$2 per dozen; valued at more than \$4 per dozen and not more than \$6 per dozen, \$3 per dozen; valued at more than \$6 per dozen and not more than \$8 per dozen, \$4 per dozen; valued at more than \$8 per dozen and not more than \$10 per dozen, \$5 per dozen; valued at more than \$10 per dozen and not more than \$13 per dozen, \$6 per dozen; valued at more than \$13 per dozen and not more than \$15 per dozen, \$7 per dozen; valued at more than \$15 per dozen and not more than \$18 per dozen, \$8 per dozen; valued at more than \$18 per dozen and not more than \$21 per dozen, \$9 per dozen; valued at more than \$21 per dozen, \$10 per dozen and in addition thereto 35 per centum ad valorem.

Respectfully submitted.

H. B. VANDERHOEF.

Representing the following: Brigham, Hopkins Company, M. S. Levy & Sons, Townsend, Grace Company, Montague & Gillet Company, Baltimore, Md.; Vanderhoef & Co., New York City, Norwalk, Conn., Milford, Conn., Wrentham, Mass.; Blum & Koch, Samuel Mundheim Company, William J. Dixon & Co., Charles Levy's Sons, New York City; George B. Burnett & Son, New York City, Amherst, Mass.; Tenney, Hills & Hall, New York City; Heimann & Lichten, New York City, Monson, Mass.; William Knowlton & Sons, New York City, Upton, Mass.; M. S. Mork & Co., New York City, Newark, N. J.; Searle, Dailey & Co., New York City, Medfield, Mass.; The Knox Hat Manufacturing Company, Brooklyn, N. Y.; The Hills Company, Amherst, Mass.; R. S. Tompkins Company, Fishkill, N. Y.; William Carroll & Co., New York City, Fishkill, N. Y.; Carroll, Hixon, Jones Company, Milford, Mass.; Westboro Hat Company, Westboro, Mass.; Hart & Kirtland, New York City; Williamson & Sleeper, New York City, Boston, Mass.; M. M. Booth & Co., Petersburg, Va.; Slocum Straw Works, National Straw Works, Milwaukee, Wis.; E. Eiger & Bros., Leyser, Green Company, Chicago, Ill.; Max Mindheim, New York City; Hirsh & Guinzberg, Medway, Mass.; Isler & Guye, Dearbergh Bros., C. Schmitz & Co., J. S. Plummer & Co., Olivier & Co., Carlowitz & Co., John Zimmermann Company, John Donat & Co., New York City; Philadelphia and China Trading Company, New York City, Philadelphia, Pa.

**AMERICAN DYERS AND BLEACHERS OF STRAW AND CHIP BRAIDS
ASK FOR AN INCREASE OF DUTY.**

WASHINGTON, D. C., *December 18, 1908.*

WAYS AND MEANS COMMITTEE,
House of Representatives.

GENTLEMEN: We, the undersigned dyers and bleachers of America, desire to present for your consideration our views on the necessity for a higher duty on dyed and bleached straw and chip braids used in the manufacture of hats.

The paragraph to which we would call your attention is 409, under Schedule N of the present law, which reads as follows:

409. Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem; if bleached, dyed, colored, or stained, twenty per centum ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

We ask that the words "twenty per centum" be stricken out and "thirty per centum" substituted. In other words, that the duty on dyed and bleached straw and chip braids shall be increased from 20 per cent ad valorem to 30 per cent ad valorem.

We have no objection to the duty of 15 per cent ad valorem on the natural braids, as we presume this is levied for the purpose of revenue, and we have no interest in the actual value of the merchandise we handle in any event.

We claim, however, that there should be a greater difference than 5 per cent additional on bleached, dyed, colored, or stained braids.

The custom-house records show that last year \$509,000 out of \$1,800,000, or nearly one-third of the braids imported from Europe, were either dyed or bleached.

Any possible loss in revenue caused by the additional duty asked for would be more than offset by the increased duty on chemicals and dyestuffs that would be used if we had this work to handle in this country.

Dyers in Italy are paid on an average of 40 to 50 cents per day, while our labor cost averages \$2 per day. The chemicals and dyestuffs which we use are dutiable at from 25 to 35 per cent. This, together with the increased cost of labor in this country, makes it impossible for us to compete with Europe when we have a protection of only 5 per cent.

We ask for a protection to the extent of the difference in the cost of production at home and abroad.

All we want is an opportunity to do work on equal terms with Europe.

There are 30 manufacturers who maintain dyers and bleachers in their own plants, and in addition there are 11 job dyehouses and bleacheries in this country. While some of these manufacturers desire no distinction made between the duty on dyed and raw straw braids, we feel that our industry is certainly entitled to as much protection as dyers and bleachers of textile goods.

We would call your attention also to the fact that the Japanese are sending over braids composed partly of natural straw and partly of dyed straw, woven together. These braids are used in this country in the same condition as that in which they arrive, and are to all intents and purposes dyed braids, and should therefore come under the dyed and bleached rate for government revenue rather than for protection.

These braids are sold here at practically the same prices as raw braids, thus showing that in Japan the cost of dyeing is practically nothing as compared to ours.

We fear greatly that within the next few years the Japanese will take up the dyeing and bleaching of braids and export them here, in which case our industry will be entirely ruined.

The duty asked for, therefore, is not only a protection against European labor but, further, will act to discourage the Japanese and Chinese from embarking in this industry to the detriment of the American labor.

Hoping you will give this petition your favorable consideration and recommend the advance in duty as we have requested, we remain,

Very respectfully,

Wm. Randall & Sons (Incorporated), F. H. Randall, Secretary, 112 Raymond street, Brooklyn, N. Y.; Parsons Dyeing and Cleaning Company, Nathan G. Parsons, President, 194 Huntington street, Brooklyn, N. Y.; Stock & Co., 8-12 Jones street, New York City; James J. McCool, Mansfield, Mass.; Wm. E. Murphy, Wrentham, Mass.; E. A. Norton, Bradford, Mass.; Emons Brothers Company, Haverhill, Mass.; Daniel H. Young, Monson, Mass.; J. S. Overhiser, Amherst, Mass.; Lewis-Brown & Co., 252 Moffatt street, Brooklyn, N. Y.; Young Brothers, Foxboro, Mass.; E. A. Young, Franklin, Mass.; Joseph Norman, Norman Douglass, Medway, Mass.; Thomas Caton, Foxboro, Mass.; George S. Thompson, 110 Utica street, Boston, Mass.; William C. Young, Westboro, Mass.

**THE BRAID MANUFACTURERS' ASSOCIATION, NEW YORK CITY,
SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO STRAW
BRAIDS AND HATS.**

682 BROADWAY,

New York City, January 27, 1909.

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We have noticed in the print of the "Tariff Hearings," dated Wednesday, December 30, 1908, two briefs requesting various amendments to paragraph 409.

The first brief is from the Millinery Jobbing Association of the United States, and the second brief is from the manufacturers and importers of straw braids and straw hats.

In the first of the above briefs their second request is to have inserted, immediately preceding paragraph 409, a new paragraph, to read as follows:

Braids, plaits, laces, and plateaux, composed wholly or in chief value of flax, cotton, hemp, ramie, or other vegetable fiber suitable for making or ornamenting hats, bonnets, or hoods, 35 per centum ad valorem.

We earnestly oppose the insertion of this paragraph, as the articles therein mentioned are manufactured by us in this country, and are provided for elsewhere in the existing tariff (paragraph 339) at a duty of 60 per cent ad valorem, which, as we have shown in our other briefs, is absolutely essential to enable us to compete with the foreign manufacturers of these articles. Even at the existing duty of 60 per cent large quantities of these goods are imported, and the millinery jobbers, in requesting the insertion of this paragraph, seek indirectly to nullify the duty provided for these articles in another part of the act and to thereby reduce the duty to such an extent as to entirely kill the domestic manufacture of this class of braids. We therefore respectfully call this matter to your attention, with the earnest request that no such paragraph shall be inserted.

The fifth request in their brief is to amend paragraph 409 by inserting after "wholly" the words "or in chief value." The effect of this addition would be to largely increase the class of goods which would come in at the low rate of 15 per cent ad valorem, bringing in at that rate many articles which now pay 60 per cent ad valorem and which are at present manufactured or come in competition with goods manufactured by domestic manufacturers.

We therefore request that these words shall not be added to paragraph 409.

In the second of the briefs above mentioned, submitted by the manufacturers and importers of straw braids and hats, they request the striking out in paragraph 409 of the following words, "composed wholly of," and inserting instead the words, "the chief component part of which is composed of."

The result of this change would be that any of the articles mentioned of which the principal component was straw, chip, etc. (irrespective of whether this principal component constituted the chief value or not) would come in at the low rate of 15 per cent ad valorem. The component of chief value might be cotton or silk, according to which they are assessed at present at 60 per cent ad valorem. This change would therefore nullify other sections of the act covering these braids, etc.

We also ask that the other words which they wish inserted in the paragraph 409, namely, "horsehair, cuba bark, or manila hemp," be not inserted, as they would result in bringing in at the low rate of 15 per cent ad valorem braids which come in competition with those now made by the United States manufacturers, through making the rate so low that we could not compete therewith.

We desire, furthermore, to respectfully call the attention of the committee to the fact that at the time of the enactment of the present tariff act most of the braids covered by paragraph 409 were comparatively plain in structure and were principally made by hand. Since that time:

First.—Machinery has been invented for the manufacture of a large number of styles of these braids.

Second.—Many patterns of fancy braids which are used for trimming or ornamenting hats are imported at the low rate provided in this paragraph.

On account of the invention of the machinery on which these braids can be manufactured, many of these patterns could now be manufactured in this country in competition with the foreign braids, provided the rate of duty was assessed at the same rate as is assessed on braids made of other materials (60 per cent ad valorem).

We submit these facts to the attention of your committee for such action as may seem desirable under the circumstances.

Respectfully submitted.

BRAID MANUFACTURERS' ASSOCIATION,
Per HENRY W. SCHLOSS,
A. S. WAITZFELDER,
FRED WIESBADER,

Committee.

**SUPPLEMENTAL STATEMENT OF DYERS AND BLEACHERS OF
STRAW BRAIDS IN REPLY TO THE ASSOCIATION OF MANUFACTURERS
AND IMPORTERS.**

CAMDEN, N. J., *January 28, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This memorial is presented in behalf of the straw braid dyers and bleachers, who beg leave to submit the following statement of facts and requests, supplementing and substantiating the statements heretofore made before your honorable committee on November 28, 1908, and December 17, 1908, since the filing of which the Association of Manufacturers and Importers of Straw Braids and Hats have through their executive committee submitted supplementary statements set forth in the proceeds of Wednesday, December 30, which, if not untrue, are at least misleading and which we desire to refute as follows:

They say:

“There is no sound reason why there should be any higher duty on the braid dyed or bleached than in its natural state.”

We beg to state:

There are many reasons why we should be protected. One sound reason is because we employ American labor and pay duty on dyes and chemicals, which enter into the bleaching cost to the extent of 50 per cent.

They state:

“We go firmly on record as authoritatively stating that substantially all the bleached, dyed, and stained braids, which are now imported, are of a character which can not be produced in the United States.”

In answer to this we beg to submit:

As dyers of all kinds of straw braid, for both ladies' and men's hats, jobbers and retail milliners, that we are better authority on this question than the framers of the above statement, who are not familiar with the jobbing and millinery side of the business, which consumes the greater portion of all imported dyed and bleached braid, and we beg to state that we have demonstrated, and stand ready to

prove, our ability to equal any foreign result, either bleached or dyed, with the single exception of white 3-end chip, upon which we obtain a result unexcelled, except by the art of one man in England, whose low price, and our lack of protection, leaves no incentive for American effort.

In order that your committee may have the benefit of a comparative table, we give an example showing the cost of foreign and domestic bleach on 3-end chip:

1,000,000 pieces natural 3-end chip, at 10 cents.....	\$100,000
15 per cent duty on natural.....	15,000
	<hr/>
	115,000
To produce equal result, bleaching cost in United States, at \$0.05 per piece.....	50,000
	<hr/>
	165,000
	<hr/>
1,000,000 pieces foreign bleached, at 12½ cents.....	\$125,000
20 per cent present duty (15 per cent on raw, 5 per cent if bleached) ..	25,000
	<hr/>
	150,000
	<hr/>
1,000,000 bleached in England, at \$0.02½ more than natural, \$0.12½...	\$125,000
30 per cent duty asked for (15 per cent on raw, 15 per cent extra if bleached).....	37,500
	<hr/>
	162,500

They state:

“Practically all of this bleaching or dyeing not done by the manufacturers themselves is done by the two firms who ask for the increase.”

In answer we beg to refer you to the brief submitted by the American Dyers and Bleachers of Straw and Chip Braids, printed under Tariff Hearings, Saturday, December 26, 1908, the signatures to which only partially represent people engaged in this industry.

They state:

“These two firms in turn control the entire bleaching industry in this country.”

We beg to state:

These two firms are in direct competition with, and obtain a large share of their work from, houses whose signatures appear on this manufacturers and importers' statement, 21 of whom have their own dyehouses and bleacheries, while the balance (9) patronize the job dyers and bleachers, and the others are importers, some of whom are branches representing European houses.

There are many job dyers and bleachers who compete strenuously for the business in this country.

They state:

“The bleached, colored, dyed, and stained braids which are imported are, commercially speaking, raw material in all respects similar to the braids which come into this country in their natural state.”

We beg to state:

Dyed braids can no more be considered as raw material than dyed or bleached cotton, silk or wool are raw material to textile manufacturers.

They state:

"It would be the height of business folly to import quantities of dyed braid and subject the importer to the risk of a change in style and fashion if the same braids could be dyed or stained in the United States."

We beg to state:

There is an immense quantity of Italian fancy patterns which can be dyed just as satisfactorily in America, but they are dyed in staple colors, at very low prices, abroad. These braids are used principally in ladies' hand-made hats, which the signers of the brief referred to do not handle and with which they are not at all familiar.

They state:

"We are answering the argument of the bleachers solely in the interest of those manufacturers who have no bleaching plants of their own and who do not desire to be left at the mercy of this bleaching trust, which has exclusive control of this particular industry in the United States."

We beg to state:

It is plainly evident that their brief is submitted solely in the interest of certain importers and a few of the larger manufacturers who, maintaining their own dyeing plants, consider that job dyers are responsible for the smaller manufacturers' continuance in business, and who otherwise would desire protection for the dyeing branch of their own industry.

We can state authoritatively that not less than nine out of every ten manufacturers prefer that our industry should be maintained, rather than that they be left at the mercy of foreign importation or be obliged to maintain their own dye and bleach houses, which even the larger manufacturers would not do except for convenience, a large percentage of them being isolated in country towns.

Outside of our interest held in Parsons Brothers (Incorporated) there is no "understanding" whatever in the straw job dyeing and bleaching business of this country. Competition is keen and fully developed.

They state:

"The additional taxation must be borne by the consumer."

We beg to state:

Men's Milan hats retail from \$3 up.

Ladies' Milan hats are much higher.

Fifteen per cent duty on 20 pieces, which make a dozen hats, at 35 cents per piece equal \$1.08, or 9 cents a hat, which is the total protection asked for. This would never affect the retail price of the goods.

They give on page 6626 a comparative table showing the cost of foreign and domestic bleached Milan, which does not represent true conditions.

We beg to say that the 5 cents per piece mentioned by them as the United States bleaching price is for a very ordinary result, and the 5 cents does not include a 50 per cent additional cost in the United States for reeling, while bleaching and reeling are both included in the 5 cents charged in Italy. (See comparative table following.)

Besides, this braid is largely collected in Italy by bleachers, and unless our price is considerably less than theirs Italy will continue to hold this trade.

We beg to present a comparative table, showing the cost of foreign and domestic bleached Milans:

100,000 pieces natural Milan at raw price, Italy, \$0.36-----	\$36,000
15 per cent duty on raw braid-----	5,400
	<hr/>
Highest grade bleaching cost to equal Italian, \$0.09-----	41,400
Reeling in rows, bleaching cost to equal Italian, \$0.02½-----	9,000
	2,500
	<hr/>
	52,900
	<hr/>
100,000 pieces bleached at bleached price, Italy, \$0.05-----	41,000
100,000 pieces bleached and reeled in Italy, 15 per cent on raw, 15 per cent extra bleached, equaling 30 per cent asked for-----	12,300
	<hr/>
	53,300

Milan braid represents a class of goods that pays the highest duty. The importation of such braid is insignificant in comparison to the total.

Cheaper braids, used by the ordinary consumer, would pay an insignificant duty in comparison.

For instance, 3-end chip, which is quoted in the brief to which we refer, would, under the increased duty asked for, cost only one and a fraction cent per piece more, meaning only an additional cost of 4 to 5 cents per hat.

They state:

“Two bleaching establishments have already ‘waxed fat’ in an industry which they practically monopolize.”

We beg to state:

The second largest straw job dyeing and bleaching company in this country, with an investment in plant and equipment of \$120,000, went into bankruptcy last year.

They are now reorganized and want a chance to live by getting a greater volume of work.

They state:

“No bleached braids are imported from China or Japan.”

We beg to state:

Dyed braids are imported from Japan, and there is no reason why they should not follow with bleached braids later: in which event the protection asked for is inadequate.

Respectfully submitted.

R. H. CONEY COMPANY.

SUPPLEMENTAL BRIEF OF THE LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION RELATIVE TO STRAW BRAIDS.

31 UNION SQUARE, WEST,
New York, January 29, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the print of the “Tariff Hearings,” under date of Wednesday, December 30, 1908, we notice a brief from the Millinery

Jobbing Association of the United States in which they request the insertion of a new paragraph, to immediately precede paragraph No. 409, said new paragraph to read as follows:

Braids, plaits, laces and plateaux, composed wholly or in chief value of flax, cotton, hemp, ramie or other vegetable fiber, suitable for making or ornamenting hats, bonnets, or hoods, thirty-five per centum ad valorem.

Our association includes a large number of manufacturers of embroideries, including laces and embroidered plateaux, composed wholly or in chief value of cotton, flax, or other vegetable fiber, and as many of these goods are suitable for making or ornamenting hats, the adoption of the above paragraph would enable the importation of these articles at the rate of 35 per cent ad valorem instead of at the rate provided for them in Schedule J, paragraph No. 339 (which is at present 60 per cent).

It seems to us, in view of this brief having been submitted by an association of millinery importers, who have imported quantities of these goods and are thoroughly conversant with the tariff regarding them, that their request for the insertion of a paragraph which would nullify the duty assessed upon these goods in another portion of this act, and thereby enable their importation at a lower rate than intended for them, should lead your committee to scrupulously examine all requests emanating from such a source.

In this connection we also earnestly oppose any broadening of paragraph No. 339, as requested by them, by inserting after the word "wholly" the words "or in chief value."

We have always considered the low rate of 15 per cent ad valorem specified for goods enumerated in paragraph 409 as dangerous, through affording a loophole for importing at this rate goods which were intended to be assessed at a higher rate in other parts of the act.

We see no reason why this rate should not be considerably increased, as it would thereby foster the manufacture in this country of certain quantities of the articles therein mentioned and result in obtaining considerable more revenue for the Government on those which would continue to be imported.

Respectfully submitted.

LACE AND EMBROIDERY MANUFACTURERS'
ASSOCIATION OF THE UNITED STATES,
Per A. H. KURSHEEDT, *President*.

THE R. H. COMEY COMPANY, CAMDEN, N. J., SUBMITS ADDITIONAL STATEMENT IN ADVOCACY OF INCREASED DUTIES ON DYED AND BLEACHED STRAW AND CHIP BRAID.

CAMDEN, N. J., *February 13, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Supplementing our memorials of November 28, 1908, "Tariff Hearings," and December 17, 1908, and also our memorial of January 28, 1909, relative to a higher protective tariff on dyed and bleached straw and chip braid, paragraph 409, Schedule N, we beg leave to submit the following statement.

We inclose samples of Japanese dyed Bedford chip, which comes in 60-yard pieces, and which is now being sold in the American market. This braid sells at 22½ cents per 60-yard piece in the natural, while the Japanese dyed, as per inclosed sample, sells at 25 cents per piece, or only 2½ cents per piece additional over the natural.

We are unable with American labor and 35 per cent duty on dyes and chemicals to do the dyeing on these goods for less than 9 cents per piece, so you will understand our fear of Japanese competition and our need of the protection asked for on dyed and bleached braids.

Please note comparative table showing cost of this braid if imported natural and dyed in United States and also if imported already dyed from Japan.

If imported natural and dyed in United States:

1,000,000 pieces natural Bedford cord, at 12 cents.....	\$120,000
15 per cent duty on natural.....	18,000
	<hr/>
	138,000
To produce equal result, dyeing cost in United States at 9 cents per piece	90,000
	<hr/>
	228,000

If imported dyed from Japan at present duty of 20 per cent on dyed:

1,000,000 pieces natural, at 12 cents...}	\$145,000
Cost of Japan dyeing, at 2½ cents...}	
20 per cent duty on dyed.....	29,000
	<hr/>
	174,000

If imported dyed from Japan at 30 per cent duty asked for on dyed:

1,000,000 pieces natural, at 12 cents...}	\$145,000
Cost of Japan dyeing, at 2½ cents...}	
30 per cent duty asked for on dyed.....	43,500
	<hr/>
	188,500

Respectfully submitted.

R. H. COMEY COMPANY,
R. H. COMEY, *President.*

BRUSHES AND BRISTLES.

[Paragraphs 410 and 411.]

THE A. H. SONN BRUSH COMPANY, OF TROY, N. Y., SUGGESTS NEW CLASSIFICATION FOR BRUSHES AND BRISTLES.

TROY, N. Y., *November 24, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

HONORABLE SIR: We are interested in Schedule N, paragraph 410 on brushes, and 411 on bristles, and beg to submit the following for your information and consideration, praying that the tariff may be changed as set forth herewith:

Paragraph 410 of old law reads as follows: "Brushes, brooms, and feather dusters, of all kinds, and hair pencils in quills or otherwise, forty per centum ad valorem."

It is our petition that this paragraph be changed to read as follows: "Brushes of all kinds, sixty-five per centum ad valorem."

Foreign brushes imported under paragraph 410 on which the duty is now 40 per cent ad valorem.

July 1, 1897, to July 1, 1898	\$745,267
July 1, 1898, to July 1, 1899	890,624
July 1, 1899, to July 1, 1900	977,487
July 1, 1900, to July 1, 1901	1,142,234
July 1, 1901, to July 1, 1902	1,151,016
July 1, 1902, to July 1, 1903	1,245,567
July 1, 1903, to July 1, 1904	1,372,227
July 1, 1904, to July 1, 1905	1,306,446
July 1, 1905, to July 1, 1906	1,357,114
July 1, 1906, to July 1, 1907	1,586,556
July 1, 1907, to July 1, 1908	1,648,310

Reason for desiring a higher duty on foreign brushes. In foreign countries labor averages as follows:

Males	per day	\$0.50
Females	do	.15
Children	do	.05

Against average wages we have to pay:

Males	per day	\$2.50
Females	do	2.00
Boys	do	1.00

The larger percentage of labor is composed of females and boys. With the present low tariff of 40 per cent ad valorem, we can not make brushes and put them on the market to compete with the foreign products, as our higher cost of labor and higher expenses make our brushes cost more to produce.

Paragraph 411 of old law reads as follows: "Bristles sorted, bunched or prepared, seven and one-half cents per pound."

It is our petition that this paragraph 411 be changed to read as follows: "Bristles sorted, bunched or prepared, on free list."

Bristles of all kinds imported under paragraph 411, on which we pay a specific duty of 7½ cents per pound.

	Total.	Value.	Chinese bristles.	Value of Chinese bristles.
	<i>Pounds.</i>		<i>Pounds.</i>	
July 1, 1897, to July 1, 1898	1,533,887	\$1,249,119	264,356	\$122,244
July 1, 1898, to July 1, 1899	1,835,156	1,458,252	388,932	170,333
July 1, 1899, to July 1, 1900	2,526,805	2,152,897	515,368	232,377
July 1, 1900, to July 1, 1901	1,684,575	1,730,197	233,210	126,840
July 1, 1901, to July 1, 1902	2,013,109	2,047,331	389,819	209,899
July 1, 1902, to July 1, 1903	3,044,045	2,654,604	794,340	403,116
July 1, 1903, to July 1, 1904	2,576,615	2,641,535	921,269	474,904
July 1, 1904, to July 1, 1905	2,461,464	2,366,444	825,273	271,710
July 1, 1905, to July 1, 1906	2,728,114	2,686,357	890,741	478,140
July 1, 1906, to July 1, 1907	3,433,941	3,256,552	1,159,487	657,551

Statistics show that July 1, 1896, to July 1, 1897, only 108,335 pounds of Chinese bristles were imported. Note the proportion of Chinese bristles in pounds to the total number of pounds imported.

A normal assortment consists of 66 cases of 110 pounds each, as follows: Twenty-three cases $2\frac{1}{2}$ inches, 7 cases $2\frac{3}{4}$ inches, 8 cases 3 inches, 7 cases $3\frac{1}{2}$ inches, 5 cases $3\frac{3}{4}$ inches, 4 cases $3\frac{3}{4}$ inches, 3 cases 4 inches, 2 cases $4\frac{1}{2}$ inches, 2 cases $4\frac{1}{2}$ inches, 1 case $4\frac{3}{4}$ inches, 4 cases 5 to 6 inches.

There are enough separate cases of $2\frac{1}{2}$ inches imported to about even up the 66-case assortment, making the startling total of 36 per cent of Chinese bristles used in the United States of $2\frac{1}{2}$ -inch length. The average price of this size in the United States has been approximately 27 cents per pound. Deducting the duty, transportation, and insurance charges, and a reasonable profit to the bristle importer, it is fair to assume that the price in China and Japan on $2\frac{1}{2}$ inches has averaged not over 16 cents per pound. This specific duty now imposed, $7\frac{1}{2}$ cents per pound, is equivalent to 48 per cent on $2\frac{1}{2}$ inches, the most used size.

Reasons: Bristles are not a product of the United States, and therefore would not affect a producer in this country, but would be a great help to the manufacturers in the United States, as it would allow them to purchase bristles, which is the next largest expense, for a lower price, and taken in connection with an advance of duty on foreign brushes, would put them on a more equal basis with foreign manufacturers.

At the present rate of duty on brushes and duty on bristles the manufacturers in this country can not compete with the foreign-made goods.

Trusting you will consider this matter carefully, and praying that our petition will be granted, we remain,

Very truly, yours,

A. L. SONN BRUSH Co.

LANSINGBURG, N. Y., BRUSH MANUFACTURERS ASK AN INCREASE OF DUTY ON TOILET BRUSHES.

LANSINGBURG, N. Y., *November 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned manufacturers of hair, cloth, hat, and other toilet brushes in this great brush center for these kinds, which constitute perhaps 90 per cent of brushes imported, though but perhaps 25 per cent of brushes made in this country, would respectfully petition that an adequate rate of duty be placed on these and, if necessary, other kinds of brushes.

Of late years the Japanese, with their skilled but incredibly low-paid labor, have been and are beginning to flood our country with hair, cloth, tooth, and other toilet brushes, and at a price far below the mere cost of manufacturing in this country. To illustrate, we with this mail you a Japanese nailbrush marked "from E. & C. Wood Co., Lansingburg, Troy, N. Y.," which was sold by a New York importer to an Albany dealer for scant 7 cents each, which no one in this country can produce for 12 cents each, and in this vast country not one now ventures to make brushes in the costly manner this brush is made.

Not one person in the United States now makes the ordinary bone-handle toothbrushes, though years ago such were made at this great brush center and elsewhere.

It is true a few peculiar, patented toothbrushes are made and sold at four times the price of the Japanese article.

Unless this inundation is stayed the bulk of these kinds of brushes and perhaps some others are to be furnished from Japan, which looms up as the destroyer of some of our industries. Apparently exclusion of some of the products of Mongolian labor, as well as such labor itself as now, would meet the emergency.

More or less industries rely on your committee to devise adequate measures of reasonable protection against this yellow peril.

Our member, Hon. W. H. Draper, is of course in favor of all interests hereabouts.

Below are rates that so far as we can learn are necessary to enable any one in this country to compete with the Japanese:

Hair, cloth, hat, bath, complexion, flesh, nail, and bonnet brushes, 80 per cent ad valorem.

E. & C. Wood Co., C. Wood, president; Monarch Brush Co., by M. M. Wiener, vice-president; O. D. Ennin's Sons; Wm. J. O. Bevin Brush Co.; Empire Brush Co.; The John Morrison Brush Co.; Drack Bros.; A. L. Sonn Brush Co.; Greenburg & Morse.

A. & E. BURTON COMPANY, OF BOSTON, THINK THERE IS NEED OF AN INCREASE IN THE DUTY ON BRUSHES.

73 AND 75 PEARL STREET,
Boston, November 27, 1908.

TO HON. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: As brush manufacturers, we would like to give our opinion as to the wants of the trade.

The duty is now 40 per cent ad valorem, and should be increased to properly protect labor. In the last ten years at the present duty of 40 per cent the importations of brushes have more than doubled.

A large proportion of the brushes made in this country are hand labor, and in our factory 45 per cent of the whole cost of the brushes is labor, 40 per cent bristles, and 15 per cent other manufactures. This percentage varies in different factories according to the goods they make.

Our labor averages to earn, men, \$1.75 per day; women, 70 cents per day, where the average pay on these same goods manufactured in Japan is, males, 50 cents per day; females, 15 cents per day, and children, 5 cents per day; consequently a duty of 60 per cent will not any more than protect our labor, and we think the duty should be 60 per cent.

The duty is now 7½ cents per pound. As there are practically no bristles raised in this country at this time, as hogs naturally lose their bristles when domesticated, we think all bristles, sorted, bunched, or prepared, should come in free.

We remain, yours, respectfully,

A. & E. BURTON CO.,

THE GRAND RAPIDS (MICH.) BRUSH COMPANY WISHES FREE BRISTLES AND AN INCREASE OF DUTY ON BRUSHES.

GRAND RAPIDS, MICH., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to Schedule N, paragraphs 410 and 411, which relate to the duty on brushes and bristles, we desire to call the attention of your honorable committee to some facts and figures in connection with the manufacturing of brushes in the United States and in foreign countries. In doing this we are speaking from our own standpoint as manufacturers of toilet brushes and kindred lines (except toothbrushes), but not as manufacturers of paint brushes or artists' brushes, which is an entirely different line of our industry; and we hope to convince you that the present tariff on brushes is entirely inadequate, and not high enough to protect the interests of the laboring classes employed in our industry in the United States. The people employed in this industry are of necessity possessed of more than the average intelligence, because of the care and attention to detail required in the proper performance of their duties, therefore they are entitled to a good average wage, and we claim that 40 per cent ad valorem does not cover the difference in the cost of labor which exists between this country and the foreign countries who manufacture brushes and sell them in the United States. The following average wages paid in the brush industry of the different countries will clearly show this:

	Per day.
United States -----	\$1. 55
England -----	. 90
France -----	. 80
Germany (free labor) -----	. 60
Germany (prison labor) -----	. 20 to . 30
Japan -----	. 20

The United States consul at Tokyo states that employees in Japan brush factories are paid as follows:

	Per day.
Males -----	\$0. 50
Females -----	. 15
Children -----	. 05

Average for the working force of a normal factory, 20 cents per day. This is on a basis of two men, three women, and three children.

By carefully figuring our costs we find that in the hairbrush line 60 per cent of the total cost in this country is for labor, and taking two concrete examples as follows: A hairbrush which costs us, for material, \$0.95, and for labor, \$1.40; total, \$2.35; we sell at \$3 per dozen. A Japanese manufacturer makes this brush at a cost of, for material, \$0.85, for labor, \$0.25; total, \$1.10. In billing this to New York to his agent he would not, of course, be justified in billing it at cost, but by adding a good, fair factory profit he can bill it at \$1.35, on which he pays 40 per cent duty, or \$0.54; total, \$1.89; and this represents the cost of the brush to the Japanese manufacturer's agent in New York. This example shows you that it would take 76 per cent on the price at which the Japanese manufacturer would bill his goods into New York port to make the cost to the New York agent equal ours, or \$2.35.

A German manufacturer will make a brush at a cost of, for material, \$0.85; for labor, \$0.56; total, \$1.41. This he could bill to his New York agent at \$1.70, and have a profit of 20 per cent for his factory. He pays 40 per cent duty on \$1.70, or 68 cents. This makes the brush cost his New York agent \$2.38, and this applies to German free labor, but the German prison labor will figure just about the same as Japanese labor.

Another example is a hairbrush which costs, for material, \$4.81; for labor, \$7.09; total, \$11.90; and which we sell at \$16 per dozen. The Japanese manufacturer can build it at a cost of, for material, \$4.81; for labor, \$1.19; total, \$6. He invoices it to his New York agent at a profit of 33½ per cent, or \$8 per dozen, on which he pays \$3.20 duty, making a cost to his New York agent of \$11.20. This enables him to sell the brush at \$15 per dozen, or \$1 under us, after the manufacturer has already made a profit of \$2 per dozen, or 33½ per cent at home.

In this instance it would take a duty of 50 per cent on \$8 per dozen, which we have supposed is the price the manufacturer would bill the goods into New York at, to his agent, to equal our cost. In this connection we might say that there is nothing to hinder either of these parties from invoicing the goods to their New York agents at factory cost, in which event it would take even larger percentages than 50 and 76 to cover the difference in these two specific cases.

If Japanese manufacturers sell direct to the American jobber, they could sell the cheaper brush at \$2, and pay 40 per cent duty, or 80 cents, making it cost the merchant \$2.80, as against \$3, which we must get. In the case of the better brush he could sell it direct to the merchant at \$9 per dozen, and the merchant pays \$3.60 duty, making it cost him \$12.60 for the same brush for which we must charge him \$16. This example shows you that this brush should have been assessed a duty of a fraction less than 78 per cent, making the cost to the jobber in this country equal to our selling price, and that permits the Japanese manufacturer to make a profit of 50 per cent on his cost, while we make a profit of only 32 per cent on our cost with a larger investment than the Japanese manufacturer makes.

The same brush made in France or England and paying a duty of 40 per cent would be very nearly on an equal basis with United States manufacturers' prices, and if made in Germany would require about 45 or 50 per cent to equal our cost.

The two examples given above have shown you the relative difference between the cost of a fairly cheap brush and a good-priced one and demonstrates our proposition.

In figuring the better-priced one we have allowed the Japanese manufacturer the same amount for materials that we figure for ourselves, which is altogether too generous, because he has the bristles at his door without the duty, and with very cheap labor for preparing the same, so that we have no doubt that item could be reduced considerably if figured exactly. The following table will show you the importations of brushes from all countries covering a period of ten years, under a duty of 40 per cent ad valorem:

July 1, 1897, to July 1, 1898	\$745, 267
July 1, 1898, to July 1, 1899	890, 624
July 1, 1899, to July 1, 1900	977, 487
July 1, 1900, to July 1, 1901	1, 142, 234
July 1, 1901, to July 1, 1902	1, 151, 016

July 1, 1902, to July 1, 1903	\$1, 245, 567
July 1, 1903, to July 1, 1904	1, 372, 227
July 1, 1904, to July 1, 1905	1, 306, 466
July 1, 1905, to July 1, 1906	1, 357, 114
July 1, 1906, to July 1, 1907	1, 586, 556
July 1, 1907, to July 1, 1908	1, 648, 310

We, ourselves, nor any other brush manufacturers that we are aware of, are not asking for anything more than to be put on an exactly equal basis with the manufacturers of foreign brushes when they sell their goods in our own country. It is a well-known fact that the tendency in this country is to constantly shorten the hours of labor, and consequently increase the cost of making goods, while in the foreign countries the hours are long and the people are as skilled as our own, and the manufacturers possessed of all the latest machinery with which to do their work, and we desire to call your attention to the fact that in the year 1890 the importation to this country of Japanese brushes was about \$1,000, in 1907 it amounted to over \$400,000, the large advance having been in the last five years, with a tariff of 40 per cent, and if these conditions continue it will result first of all in the American manufacturers being forced to cut wages, and finally it will result in our annihilation, because when we begin to cut wages our employees will find other industries that have not been so affected, and where the wage scale can be kept up. The result will be that we can not get help at prices that we can afford to pay, and we will be practically out of business.

We are not asking for an unreasonable advance in the tariff on brushes, therefore, when we suggest that it ought to be as high as 60 per cent, which you will see is not quite up to the average of the two examples given above.

The foreign manufacturers have no duty to pay on bristles used in the brushes they make, and while this is not a large percentage item in the case of high-priced bristles, yet in the cheaper grades it becomes a large factor, amounting to from 33½ to 25 per cent on the cost of the bristles used. Therefore you can see that if the bristles item in a brush is \$4 and the bristles are high priced, so that the present duty would only mean about 1 or 2 per cent, it adds only from 4 to 8 cents a dozen to the cost of our brush; but in the case of the cheaper brush, where the bristle cost is 70 cents and the duty at 7½ cents a pound, or 11 per cent, it makes a difference of 7 cents per dozen, or 3 per cent on the total cost of the brush.

You will please note the following:

First. There are almost no brushes exported from the United States to foreign countries. We have made several attempts, but are not able to compete with foreign manufacturers on an equal basis.

Second. There exists no combination or trust among or between the manufacturers of brushes in the United States for the regulation of prices or wages.

Third. That the 40 per cent duty on brushes is insufficient and does not cover the difference between the cost of labor in foreign countries and in the United States; that, in our opinion, 60 per cent duty will not be too high to actually cover this difference.

Fourth. That not only is the wage scale smaller in foreign countries, but the working hours are longer than in the United States; and in one country, at least, no day of rest is observed.

Fifth. That foreign goods are shipped largely into this country through an agent, thus making the undervaluation of goods easy, and this agent oftentimes is not a citizen of the United States.

Sixth. That large quantities of prison goods are made in Germany, and it is not possible to trace these goods when brought to this market, as there is no distinctive mark on them.

Seventh. Very strong combinations of brush makers exist in Germany, and in Japan the industry is backed by the Government in the case of one at least of the large factories.

Eighth. That all the brush makers of the United States contribute in taxes toward the support of the local government, and are paying out to their employees each week large sums of money in pay rolls, which is kept in circulation through this means, and have large sums of money invested in their respective plants.

We only request that you give the matter your attention, and after verifying our figures, which can be readily done, we feel sure that you will consider the need of the people who labor in this business and fix the tariff at a point where the present schedule of wages can be maintained in our United States factories, and the foreign competition will be on an equal basis with us when we go to the same men to sell goods. We are perfectly willing to stand or fall on the merits of our business and the skill of our employees.

The duty of $7\frac{1}{2}$ cents per pound on bristles, we believe, can be largely reduced, or entirely taken off, because at the present time the production of bristles in the United States is very small, and it is not an industry that will grow, but is bound to become obsolete, whether protected or not, because of the conditions that exist relative to the slaughtering of hogs while they are still young and before any bristles have grown on them to speak of.

It is safe to say that there are no good stiff bristles grown in this country now, and only a few hundred pounds in the last year or two of medium stiff goods. For a year or two past the supply of soft American bristles has been entirely insufficient, and has forced manufacturers to use cheap grades of Chinese bristles as a substitute, and on these cheap grades of Chinese bristles the duty of $7\frac{1}{2}$ cents a pound amounts to as high as $33\frac{1}{3}$ per cent of the cost. We see no reason, therefore, why the duty on bristles should be continued.

Respectfully, yours,

GRAND RAPIDS BRUSH Co.,
J. D. M. SHIRTS,
Vice-President, Treasurer, and Manager.

THE JOHN L. WHITING-J. J. ADAMS COMPANY, BRUSH MANUFACTURERS, BOSTON, MASS., RECOMMEND THE REMOVAL OF DUTY FROM BRISTLES.

SATURDAY, *November 28, 1908.*

HON. SERENO E. PAYNE,

House of Representatives, Washington, D. C.:

We beg to advise you that we are manufacturers of nearly all kinds of brushes, and submit herewith circulars showing particulars of our general line.

Our cash capital invested in the manufacture of brushes is \$1,000,000. We employ between 1,000 and 1,100 persons in our factories

making brushes, and have contracts with outside factories in the United States, making handles and woodwork for our brushes, which employ 200 to 300 additional persons. Our yearly pay roll is from \$275,000 to \$350,000 in our own factories. To this we think it is proper to add the labor of wood-working factories which make our brush handles, making additional United States labor cost of our product from \$75,000 to \$100,000 on handles alone.

We also use large quantities of brass, copper, steel, tin plate, leather, tacks, varnish, and incidental supplies produced in the United States. No advances in selling prices of brushes have ever taken place in the United States except those forced by increased cost of raw materials, and none are likely to occur.

Brush manufacturers in the United States have been for many years subjected to severe competition by the importation from Germany, France, and Japan of manufactured brushes, sold at less prices than can be named on brushes manufactured in the United States by existing higher-cost labor. These importations amount yearly to over one and a half million dollars' worth of brushes at importers' prices. If the duty were 50 per cent ad valorem instead of 40 per cent, as at present, more brushes would be manufactured in the United States, yet the increased duty would not be prohibitory.

Manufacturers of brushes in the United States have the factories and work people and the best facilities for making brushes in the world, but kinds in which labor is the great element of cost are made elsewhere, owing to lower labor cost in countries of present origin than in this country. Given protection to equalize difference in cost of labor, United States brush manufacturers will furnish employment to great numbers of work people on brushes in addition to those now employed.

The following statement of importations of brushes since 1893 shows how rapidly foreign manufacturers have increased their sales of brushes in the United States:

July 1, 1893, to July 1, 1894	\$559, 767
July 1, 1894, to July 1, 1895	660, 583
July 1, 1895, to July 1, 1896	753, 928
July 1, 1896, to July 1, 1897	782, 802
July 1, 1897, to July 1, 1898	745, 267
July 1, 1898, to July 1, 1899	890, 624
July 1, 1899, to July 1, 1900	977, 487
July 1, 1900, to July 1, 1901	1, 142, 234
July 1, 1901, to July 1, 1902	1, 151, 016
July 1, 1902, to July 1, 1903	1, 245, 671
July 1, 1903, to July 1, 1904	1, 372, 227
July 1, 1904, to July 1, 1905	1, 306, 446
July 1, 1905, to July 1, 1906	1, 357, 114
July 1, 1906, to July 1, 1907	1, 586, 556
July 1, 1907, to July 1, 1908	1, 648, 310

Imported brushes have no features to their advantage over those made in the United States in regard to finish, style, or quality. The sole reason why they are sold here is that prices are less than we can afford to sell same kinds at with present labor cost. This condition exists particularly with respect to toilet brushes, such as hair, tooth, cloth, nail, and artist brushes, and similar kinds, and also some others in which labor is the great element of cost.

Brushes in the United States are very largely the product of small factories, distributed in many places, there being but few large manufacturers. There is no trust or combination in the brush in-

dustry in the United States to influence prices. Competition between manufacturers is vigorous and profits are small. The business is not generally prosperous, and during the past four or five years, including years of general prosperity in the whole country, many failures of brush manufacturers have occurred, as large and perhaps a larger percentage than in any other industry.

Brushes of best grades are exported from the United States to a limited extent. If the manufacture of the kinds now imported could be firmly established here, there is every reason for believing that a considerable export trade on them could be built up.

BRISTLES.

The principal material used in the manufacture of brushes is bristles, which have a specific duty of $7\frac{1}{2}$ cents per pound, equivalent to $2\frac{1}{2}$ or 3 per cent average cost on such brushes as are made of bristles. Other brush materials, such as Tampico, soft hairs, and different fibers, are free of duty.

The duty on bristles is now specific, $7\frac{1}{2}$ cents per pound, on such as are imported. This duty could be abolished and all bristles put on free list without doing injury to any industry in the United States and to the advantage of brush manufacturers here. It is impracticable to import them in raw condition free of duty.

Bristles are a by-product, and the kinds imported can not be produced in the United States. All manufacturers of brushes in all parts of the world must go to Russia, Germany, France, and China for their bristles. American hogs are killed young, before their bristles are of much length or size, and over three-quarters of the quantity produced is not over $2\frac{3}{4}$ inches long, and is used almost entirely for cheaper kinds of household brushes.

The fact that crude bristles will not be imported into the United States is demonstrated by the few that have been under the present law. The entire importation of crude bristles imported July 1, 1907, to July 1, 1908, was 5,549 pounds. If bristles of all kinds were on the free list, it would cause a reduction in the selling prices of brushes made of bristles of from 2 to 3 per cent.

The following statement gives importations of dutiable bristles into the United States since 1893:

	Pounds.
July 1, 1893, to July 1, 1894.....	1, 231, 599
July 1, 1894, to July 1, 1895.....	1, 525, 424
July 1, 1895, to July 1, 1896.....	1, 571, 894
July 1, 1896, to July 1, 1897.....	1, 347, 270
July 1, 1897, to July 1, 1898.....	1, 533, 887
July 1, 1898, to July 1, 1899.....	1, 835, 156
July 1, 1899, to July 1, 1900.....	1, 503, 018
July 1, 1900, to July 1, 1901.....	1, 633, 036
July 1, 1901, to July 1, 1902.....	1, 972, 572
July 1, 1902, to July 1, 1903.....	3, 009, 806
July 1, 1903, to July 1, 1904.....	2, 576, 615
July 1, 1904, to July 1, 1905.....	2, 461, 464
July 1, 1905, to July 1, 1906.....	2, 728, 114
July 1, 1906, to July 1, 1907.....	3, 433, 941
July 1, 1907, to July 1, 1908.....	2, 550, 971

The large increase in pounds since 1902 is due to great quantities of lower-priced black Chinese bristles imported, which have replaced the more expensive better quality of Russian, German, and French

bristles. Black Chinese bristles make brushes which wear out more quickly, and also are shorter than the Russian and German.

Yours, very truly,

JOHN L. WHITING-J. J. ADAMS Co.,
LEW C. HILL, *President*.

STATEMENT OF JOSEPH C. BONNER, REPRESENTING THE AMES-BONNER COMPANY, OF TOLEDO, OHIO, RELATIVE TO DUTIES ON BRUSHES AND BRISTLES.

SATURDAY, *November 28, 1908.*

The CHAIRMAN. How much time do you want, Mr. Bonner?

Mr. BONNER. Five minutes or less.

Mr. Chairman, if I may be permitted to say it, I have a feeling almost akin to veneration in addressing the Committee on Ways and Means, owing to the fact that on one occasion I was here in the cause of brushes when its former lamented chairman, the greatest exponent of protection, William McKinley, was in the chair. Later I had the privilege of serving on his staff, and in 1907, in the electoral college, of voting for him as President of the United States.

I have come nearly 600 miles to have the privilege of presenting this cause to you. I think it is unfortunate that the committee have been laboring so industriously so many hours to-day that I can scarcely present this matter in such a shape that I think you would most enjoy hearing it. I will not endeavor to do so—simply to say this: The statistics compiled by the Bureau of Statistics of the Treasury Department show that the importation of brushes since the enactment of the McKinley law has increased to 110 per cent. From Japan the increase in percentage is 4,000 per cent. It is an abnormal increase. The general increase of all commerce of the United States, according to the statistics, is 42 per cent. In exports of brushes from the United States the percentage is 23 per cent, while the general exports of all commerce in the United States have increased in the abnormal amount of 210 per cent.

In the human wage scale brush workers are the lowest in this country and abroad. A State Department consular report has come to the brush manufacturers of this country within ten days, which indicates that the labor wage there on brushes is in Japan 50 cents for men, 15 cents for women, and 5 cents for children. Under the plan of the future tariff schedule on brushes there are two distinguishing characteristics—two families of brushes, so to speak—that should be recognized. I refer to household and toilet goods on the one hand and paint and varnish goods on the other. In the one case the percentage of labor to material is about as 3 to 1, and in the other case it is about 5 to 5 or 3 to 7, according to the average.

As to the question of the profits the American manufacturer can make under the circumstances of the abnormal importations, as is shown by the brief which I will submit, and also as to the question of whether we are producing at higher or lower prices and furnishing the people with brushes at better prices than heretofore, all bristle hair brushes, are sold to-day, as against like brushes, at 25 cents in 1890, and I will say that the manufacturers of this country will supply for 10 cents a hairbrush, a clothes brush, a shoe brush, a

shaving brush, a paint brush, an artist's brush. There is no more intricate machinery used in the manufacturing industrial arts than the machinery that has been introduced by the brush makers and is in use in this country in the production of toilet brushes. And with our facilities we will take the output of a factory and offer it to anyone for one to five years—I refer to brushes such as we make, toilet brushes—for 10 cents a dozen profit. That is what we are reduced to, and this is what is necessary under the circumstances of the brush situation. We require much higher tariff.

There is this condition confronting the American brush manufacturers, as we see the small spot in the horizon: That while in 1890 Mr. McKinley undertook to adjust conditions as between wages in this country and foreign countries, to-day they are utilizing the same machinery that we are and the same facilities plus the Mongolian cheap labor. So that, as I stated, it has become possible (and it does occur in the brush business) for them to import at the abnormal rate of 110 per cent as against the 42 per cent for general imports, and the exports from this country are 23 per cent as against 210 per cent for general exports.

I do not feel that I should take any more of the committee's time at this late hour, and will, if privileged, submit a brief on brushes, asking two separate tariff schedules; also a brief for bristles to be placed on the free list.

JOSEPH C. BONNER, OF TOLEDO, OHIO, FILES BRIEF RELATIVE TO THE DUTIES IMPOSED ON BRUSHES.

WASHINGTON, D. C., November 28, 1908.

COMMITTEE ON WAYS AND MEANS.

SIRS: I have the honor to submit the following statement, in accordance with conditions of hearings on tariff revision, subject of brushes, Schedule N, paragraph 410:

The principal feature of the foreign commerce in brushes is evidenced in the annual report of the Bureau of Statistics of the Treasury Department for the year ending June 30, 1890, compared with like statements of subsequent years to and including 1907, as shown by the following tables:

Brushes.

Year.	Imports.	Exports.
1890.....	\$767,128	\$151,128
1891.....	863,573	150,609
1892.....	797,879	181,110
1893.....	814,062	241,343
1894.....	559,767	179,098
1895.....	660,585	165,672
1896.....	752,928	180,188
1897.....	782,802	186,056
1898.....	745,267	158,272
1899.....	890,629	211,931
1900.....	977,513	232,986
1901.....	1,142,385	254,047
1902.....	1,151,016	261,729
1903.....	1,245,671	283,094
1904.....	1,372,227	275,522
1905.....	1,306,446	327,083
1906.....	1,357,114	366,103
1907.....	1,586,556	415,733

The total foreign commerce of all merchandises of the United States shows:

Year.	Total United States imports.	Total United States exports.
1890.....	\$789,310,409	\$845,293,823
1907.....	1,434,421,425	1,853,718,034

The brush commerce is marked by three notable characteristics: First, a phenomenal increase of imports; second, only nominal figures found in the brush exports; third, a comparison of brush imports with the total importations of the United States for the years 1890 with 1907, as shown by the reports of the Bureau of Statistics, indicates that the percentage of increase in general imports equaled 42, while that of brushes increased by the abnormal percentage of 110.

A study of the details of the commerce of the United States with all parts of the world during the last twenty years as to percentage shows a more rapid growth of our sales of all merchandises than of our purchases, the exports at the same time considerably exceeding the imports, the percentage being 219. In the face of this fact is the astonishing showing that the exportation of domestic brushes for years 1890-1907 equaled but 23 per cent of brush imports.

The Bureau of Statistics for 1907 states that advance in price has been reflected in the values of both exports and imports. It reads:

Comparing prices of articles exported or imported in 1907 with those of the fiscal year of 1899, the first full year after the enactment of the existing tariff law and a period thereafter unaffected by tariff changes, a large number of articles imported and exported show in 1907 marked increases in prices over those of 1899, the increase in many cases above 50 per cent and some cases more than 100 per cent. Manufacturers' materials in both raw and partially manufactured stocks show striking advance in prices in both imports and exports comparing prices in 1907 with those of 1899.

While manufactures generally show these advances in prices of materials and manufactures, there is also indicated through definitely ascertained knowledge, the general experience of producers and sellers of brushes, that the selling prices of this particular manufacture have shown a continuous and a gradual lowering in sales prices.

To summarize the movements of brushes between the United States and foreign countries for the period 1890-1907, it will be seen:

First. Importation of brushes increased 110 per cent, while the total imports of the United States increased but 42 per cent.

Second. Exportation of brushes equaled but 23 per cent of brush importations, while the general export commerce of the United States exceeded general importations by 210 per cent.

Third. The domestic prices of brushes have lowered generally in face of the marked advance in a large number of other manufactured articles affected by the tariff, this in face also of general advance in manufacturers' raw materials and labor. For instance, a toilet hair-brush article sells to-day for 10 cents, made of all bristle, equal in quality as good as sold at 25 cents in 1890.

These three salient features of the brush industry may be analyzed by a statement reflecting the condition of the domestic brush business for the period 1890-1907.

Parenthetically, tariff Schedule N, paragraph 410, specifically prescribes to cover brushes, brooms, feather dusters of all kinds, hair pencils in quills or otherwise. The importation of brooms is only nominal in volume, and in 1907 showed but \$1,655 as a high average. In the brush art the tariff acts have recognized no differential provisions or rates for the purpose of assessing duty, all varieties of brushes being liquidated at custom-house at 40 per cent ad valorem.

The commercial designation of brushes, however, is, broadly, divisible into two general groups—group A, toilet and household brushes; group B, painter's, shaving, and artist's brushes.

Brooms and dusters should not be properly classed in either group. They are produced by entirely different processes, are made of unlike materials, are not items really in customs commerce, because American designs, or corn brooms, are not produced abroad, yet in the labor statistical reports it is indicated that many more people are employed in broom making than in the brush manufacture. For all purposes of computation brooms should be entirely segregated from brushes.

Manufacturers of brushes of either group A or group B rarely engage in the production of the other group. The organization of the businesses, the character of the trade sold, the utilities, tools, and processes of production used, the training of labor to knowledge of the processes are as a sealed book of the one producer as against the other.

In the manufacture of group A—toilet goods—consist such as hair-brushes, toothbrushes, clothes, bath, and nail brushes; household brushes, such as shoe brushes, scrubbing, stove, plate; horse and mill brushes. Some of the most intricate and complicated machinery is utilized in their manufacture that is known in all the manufacturing industrial arts. Single brush factory equipments in this country of machines to produce toilet and household brushes have exceeded in cost hundreds of thousands of dollars. Highly skilled machinists and tool makers keep such machines in perfect working condition. Skilled men and skilled women operate these machines. Seventy-five per cent of the importation of all brushes into the United States under the 40 per cent ad valorem duty are toilet brushes of variety group A.

Practically all tooth brushes sold in this country are imported, and they are used by every man, woman, and child in the United States. Why is this so? The answer is plain—inadequate tariff protection. And this application is alike to all toilet brushes.

Why is there insufficient duty, and what would be the proper protection?

The writer was privileged intimate official association with the author of the McKinley tariff bill. As the outcome of conferences and hearings an arbitrary rate of 40 per cent was made and exists to-day in the brush tariff schedule. The Mills bill rating was 20 per cent, and the brush producers asked 55 per cent. The result is, many manufacturers have had to quit operations.

The Bureau of Statistics clearly shows by reports the fallacy of such named tariff conclusions, abnormal increase of import brushes by 110 per cent, while general customs imports equal only 42 per cent. Increasingly large brush imports come from all the important foreign countries, but particularly from Japan, whence comes the

increase for the years 1890-1907 of 4,000 per cent, or 25 per cent of all brush imports to the United States.

In the brush group A labor constitutes 65 to 75 per cent of the cost of the produced article. The intricate brush machinery before mentioned of this group was introduced at great expense and estimated labor savings to meet foreign cheap labor and to further lessen cost of the manufacture and the selling prices. It was an accomplishment in fact. To-day the world makes no better brushes than the United States can produce; still importations increase in volume and out of percentage proportions to other lines of manufactures. The brush industry is thus bearing more than its just share of the national burden, if protection be a burden.

Brush makers' wages, both domestic and foreign, all statisticians agree are of the lowest-paid wage scale of human employment. The reason for this must now be understood, and it is a condition confronting the underlying fabric of our American industrial existence. It is found in the foreign industrial producer. The foreigners all are utilizing the world's best machinery, tool inventions, and facilities, notably Japan, dually cooperating in such use the cheapest human skill and power, with Japan working at a brush wage rate of 50 cents per day for men, 15 cents for women, and 5 cents for children, as shown by a November, 1908, consular report; and so, with but 40 per cent duty, they terribly undersell our brush wares in this market. Such is our unnatural competition to-day. So far have our brush manufacturers been pushed by this unfair competition that in the work plan of 1905 women wage-earners employed numbered 3,054, children 448, the cheapest American labor, with 546 shops less shown to be in operation than in 1890. These figures are extracted from Bureau of the Census for 1905, Bulletin No. 57.

The Ohio bureau of labor for 1907 shows brush reports on labor averages of daily wage earnings to be, men, \$1.92; women, 77 cents; boys (16 to 18 years), 62 cents.

After the enactment of the McKinley tariff law and because of the introduction of many labor-saving processes, it was hoped that it would be possible for domestic brush makers to get the competition share of the trade of this country, but almost immediately did the active foreign brush makers provide machinery, adopt all the labor-saving devices and use them just as cleverly as we do. They pay no duty on bristles. We pay $7\frac{1}{2}$ cents per pound, or the equivalent of average of 30 per cent ad valorem. Again, we pay 35 cents per pound labor to dress bristles as against one-fifth of such cost to the foreigner. Again, the Japanese merchant does not appear to possess that element in national characteristics known as commercial integrity, for in dealing with the United States customs the Board of Appraisers reports show greater percentages of advances in valuations assessed on Japanese goods than are marked against any other country.

The Director of Bureau of Census says in communicated letter of November, 1908:

In the analysis of brush labor statistics care should be taken that incorrect conclusions as to the cost of manufacture or profits made be not drawn from the tables. Not only do the figures take no cognizance of the depreciation in the plant, but they are defective in not including other important costs. The expense incident to the sale of product is omitted. Moreover, the figures take no cognizance of the interest on capital invested or losses due to bad debts. There are no statistics available in regard to the manufacture of brushes in Japan, England, Germany, or France.

There are not and there never have been brush industrial combinations in the United States; no trusts; no labor-union brush makers; no profit dividends aggregating more than what would equal interest-rate returns on government bonds.

We believe it to be the intention of the tariff-making power to reconstruct the tariff along lines that will exclude unnatural foreign-labor competition, commensurate with, but not beyond, what will secure work for our skilled labor at living wage scale that they may enjoy ambitions, have homes and property, instead of looking forward to possible trade extinction.

Results from the operations of the existing tariff schedule of 40 per cent ad valorem demonstrates undeniably that it will require, and we earnestly desire and ask that 60 per cent ad valorem duty be prescribed for brushes, Group A, to enable domestic manufacturers to meet the at present unfair competition with foreign cheap labor, but, to anticipate the near future conditions, will say 75 per cent will hardly accomplish it.

This tariff classification to be paraphrased as toilet and household brushes or drawn-work brushes, or where the brush materials are drawn or punched and held in the bored block.

In the brush Group B, paint brushes, shaving and artist's brushes and kindred varieties, since the raw materials constitute 25 to 70 per cent of the cost and labor in the reverse-named percentages of the produced article, naturally the brush values are much higher, and the foreign competition, while most troublesome under the present 40 per cent ad valorem rate, is not yet quite so ruinous as is the foreign competition in toilet brushes, Group A. Almost as many skilled operators are employed, the capital outlay for machinery and tool plants, though, are not nearly as large as for brush manufacture under Class A. Brushes Class A are scarcely exported. Brushes are exported under the classification B in a small way, but not at all with freedom of the markets. But this notable fact must be in mind:

American makers of painter's and artist's brushes are to-day buying of importers their supplies of cheap-grade brushes. They can not compete. This brush group ranks first in gross values of products and a good second in number of wage-earners employed. We urge that the basic principles of protection as intentionally applied requires the placing of brushes in Group B on an ad valorem duty rate of 55 to 60 per cent. In the specific description of Group B we would suggest for the schedule title—Brushes, shaving, paint, and artist goods, or all varieties known as pan or cement-processed brushes.

We think we have fairly and justly presented the brush situation. We should have equal competition, not annihilation, as is already shown with regard to toothbrushes. Our recommendations are in the public interest, brush products entering into a part of the daily life of everybody. Yet so cheaply now are brushes sold that for 10 cents can be bought a hairbrush, or a clothes, shoe, tooth, shaving, paint or a horse brush. The toilet-brush producers will not in this country to-day show an average profit in their line of manufacture of 5 cents per dozen. Our factory was established in 1845.

Respectfully submitted.

JOS. C. BONNER,
President Ames-Bonner Company, Toledo, Ohio.

**STATEMENT OF COL. ALBERT CLARKE, OF 77 SUMMER STREET,
BOSTON, MASS., RELATIVE TO BRUSHES AND BRISTLES.**

SATURDAY, *November 28, 1908.*

Mr. CLARKE. I appear for Mr. L. C. Hill, of Boston, who has been here to-day, but has been obliged to leave. He just wished to have me explain to the committee why he is not present and to submit his brief.

I also appear for Mr. Frank N. Look, of the Florence Manufacturing Company, of Florence, Mass., merely to submit a letter which he addressed to me and which I will file because it is a model of condensation, and contains a great many very interesting facts on this brush industry and the competition which our manufacturers have with Austrian and Japanese brushes.

I believe, Mr. Chairman, that I have done my errand, and do not need to say more.

FLORENCE, MASS., *November 26, 1908.*

HON. S. E. PAYNE, M. C.,

Chairman Committee on Ways and Means.

Washington, D. C.

DEAR SIR: We have been manufacturing toilet brushes for forty-two years and employ about 500 people. For a number of years we have been endeavoring to manufacture popular-priced toothbrushes, now principally made in Asiatic and European countries.

A few facts bearing upon the exact labor conditions are impressive. We employ no child labor. In Japan children are more or less employed, at less than 1 cent per hour. Women with us earn from 10 to 20 cents per hour; in Japan from 1½ to 2 cents per hour. We pay our male labor from 15 to 35 cents per hour. In Japan male labor is paid about 5 cents per hour. In a large brush manufactory employing over 700 hands in Austria skilled male labor receives from 9 to 11 cents per hour. Women are paid from 5 to 6 cents per hour. In this particular factory the highest paid man, a master mechanic, receives about 15 cents per hour, whereas with us we would pay 40 to 50 cents per hour.

As labor is more than one-half the cost of toothbrushes, the present rate of duty of 40 per cent ad valorem still gives the Japanese and the Europeans decided advantage over American labor on the present basis of American wages. Japanese toothbrushes made by hand confront one everywhere throughout the United States, at prices which absolutely preclude successful competition by American labor, even under the present duty of 40 per cent.

The introduction of modern machinery in Japan, such as is in general use in Europe, especially in Germany and Austria, coupled with the very low-priced labor of Japan, would produce a startling effect upon the brush industry in America. In the application of machinery to the manufacture of toothbrushes Germany and Austria especially are in advance of the rest of the world, including America as well.

In Austria and in Germany many operations are performed by women where we are obliged to employ men, thus creating a much

wider difference in labor costs than is apparent in an actual comparison of wages paid. This must be equally true of conditions in Japan, where wages paid women are so much less than paid in Austria and Germany. In Belgium and in Germany women dress bristles and do classes of work which are not and can not be performed by women under American conditions.

A low-priced, moderate-sized toothbrush manufactured by machinery in Austria represents an actual labor cost of 73 cents per gross in comparison with an actual labor cost in America of \$2.08 per gross.

Toothbrushes are being used by Americans in increased quantities, and with proper protection an industry employing an increased number of American laborers at American wages can be built up.

We respectfully ask that the present rate of duty upon brushes of 40 per cent ad valorem be increased to at least 50 per cent ad valorem.

We also ask that the duty of $7\frac{1}{2}$ cents per pound upon bristles be removed, and that bristles be entered free of duty, in order that we may thereby be placed on a fairer basis in comparison with Asiatic and European countries, as practically no bristles used in the manufacture of hairbrushes, and no bristles used in the manufacture of toothbrushes, are produced in America.

Very truly, yours,

FLORENCE MFG. CO.,
FRANK N. LOOK, *Treasurer.*

STATEMENT OF W. D. FOSS, REPRESENTING THE WOOSTER BRUSH WORKS, WOOSTER, OHIO, RELATIVE TO BRISTLES.

SATURDAY, *November 28, 1908.*

Mr. Foss. Mr. Chairman and gentlemen, I exceedingly regret that the hour is so late. I will therefore take up as little of your time as possible, and I will not attempt to read my brief. Colonel Bonner, who preceded me, has gone into the matter of brushes. I want to speak just for a few moments on the matter of bristles, which interest paint and varnish brush manufacturers more than the manufacturers of toilet brushes.

It will be necessary for me to give you a few figures from my brief.

The total number of pounds of bristles imported for the year ending June 30, 1907, was 3,433,941 pounds, amounting in dollars to \$3,256,552. Average per pound, 94.8 cents. There was a $7\frac{1}{2}$ per cent duty, equaling 7.9 per cent.

From China alone there were imported at least 1,159,487 pounds, amounting to \$657,551. Average per pound, 56.7 cents, equivalent to $13\frac{1}{2}$ per cent.

From all other countries there were imported a little over 2,000,000 pounds, amounting to \$2,500,000—an average of $\$1.16\frac{1}{10}$, or 6.4 per cent ad valorem duty.

Large quantities of Chinese bristles have also been imported into the United States from England and Germany.

From the above it will be seen that over one-third of all bristles imported (or 1,159,487 pounds, 33.7 per cent) are Chinese, the average price of which is 56.7 cents per pound. There is $7\frac{1}{2}$ cents per

pound specific duty on the same, which is equal to $13\frac{1}{2}$ per cent. But over one-third (or about 36 per cent) of all Chinese bristles imported being $2\frac{1}{2}$ -inch (the size most used), with an average value in China of 16 cents per pound, the present duty is equivalent to 47 per cent.

That is as much, gentlemen, as I intend to say regarding bristles, in order to lead up to two brushes which I have in my hand. I will file this brief, which will give the other data in reference to the matter.

The CHAIRMAN. Yes; file your brief and it will be read carefully, Mr. FOSS.

Mr. FOSS. Up to the present time the paint and varnish brush manufacturers have been affected but little by the duty on brushes. But we see a menacing cloud on the horizon, when the Japanese can produce a little brush like that [exhibiting brush] for \$1.79 per gross, put on a profit of 45 cents, pay a duty of 40 per cent and 10 per cent for transportation and insurance, and land the brush to the jobber in New York City for \$3.36 a gross. I have the figures here giving the Japanese cost and also the American cost. I took that brush home and made a couple of dozen of them in our own factory. Without going into the details of the several items entering into the brush, the same brush costs us \$3.84 per gross. The Japanese manufacturer can lay it down in New York 10 per cent less than we can make it, and have a profit of 25 per cent.

You will see, on comparison, that they are making a very fair imitation. They are great imitators. It is only a question of a very short time until they will be in the paint and varnish brush business just as strongly as they are to-day, as Mr. Bonner has explained to you, in the toilet-brush business.

For that reason the paint-brush manufacturers, in view of the enormous percentage of duty now imposed upon us on short stock or short lengths of bristles, respectfully request that you increase the duty at least 10 per cent on brushes, making it 50 per cent, and that we be relieved of the specific duty of $7\frac{1}{2}$ cents per pound on bristles.

BRIEF SUBMITTED BY W. D. FOSS, OF WOOSTER, OHIO, ON THE SUBJECT OF BRISTLES AND THE DUTIES THEREON.

WOOSTER, OHIO, *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Permit me to call your attention to the fact that the firm which I am here to-day to represent is a copartnership, and we are not a party to any agreement, expressed or implied, with any competitor, either in regard to the regulation of production of brushes or fixing the prices at which same should be sold. Every brush manufacturer in the United States, so far as I am able to learn, stands upon his own individuality.

In regard to the specific duty of $7\frac{1}{2}$ cents per pound on bristles as the law now stands, under Schedule N, paragraph 411, I am of the opinion that same should be removed and bristles placed upon the free list, for the following reasons:

Total foreign bristles imported into the United States during the year ended June 30, 1907, were as follows:

	Quantity.	Value.	Average per pound.	7½ cents pound equals—
	<i>Pounds.</i>			<i>Per cent.</i>
Total imported.....	3,433,941	\$3,256,552	\$0.948+	\$0.079+
From China alone, at least ^a	1,159,487	657,551	.567+	.132+
From all other countries.....	2,274,454	2,599,001	1.161+	.064+

^a Large quantities of Chinese bristles are also shipped into the United States from Germany and England.

From the above it will be seen that over one-third of all bristles imported (or 1,159,487 pounds, 33 $\frac{7}{10}$ per cent) are Chinese, the average price of which is 56 $\frac{7}{10}$ cents per pound; 7½ cents per pound specific duty on same is 13 $\frac{1}{2}$ per cent. But over one-third, or about 36 per cent of all Chinese bristles imported, being 2½ inch, the size most used, with an average value in China of 16 cents per pound, the present duty is equivalent to 47 per cent.

The average cost during the past five years for 2½-inch Chinese bristle to brush manufacturers in the United States has been from 27 cents per pound to manufacturers located in cities on the Atlantic coast to 29 cents to manufacturers in western cities.

Our average cost per pound on 2½-inch Tientsin Chinese bristles in the past five years has been.....	\$0.23½
Cupping or straightening.....	.02
Combing and dressing.....	.10½
Fourteen per cent loss on twine, wrappers, straightening, and combing...	.04
Our net cost on 2½ inch when ready for the brush.....	.45

Assuming the same length (2½ inch) to be worth in China or Japan 16 cents (our expert male workmen average \$2.56 per day, Japanese male workmen average \$0.50 per day), their labor on the bristles for straightening and combing is four-fifths less than ours, or 0.024 cent, allowing same loss of 14 per cent, 0.022 cent; Japanese net cost when ready for the brush, 0.206 cent.

The advantage to foreign brush manufacturers in countries where there is no duty on bristles is obvious, even though no consideration is given to labor costs, which in our industry is a big item.

The following is the average wage we paid our employees during the past four weeks: 50 males average \$12.92 per week, or \$2.15 per day, of which number 35 are men, average \$15.39 per week, or \$2.56 per day; of which number 15 are boys, average \$7.14 per week, or \$1.19 per day. Thirty females average \$4.97 per week, or \$0.83 per day.

We work nine and one-half hours five days per week and eight and one-half hours Saturday; total, fifty-six hours per week. We have no means of knowing the number of hours required of employees in foreign brush factories, but presume they operate their factories at least as many hours per week as we do, and have learned through our United States consul in Japan that in the brush industry—

	Per day.
Males receive.....	\$0.50
Females receive.....	.15
Children receive.....	.05

In ten years the importation of foreign brushes has increased from \$745,267 to \$1,648,310, or over 121 per cent. The increase from Japan alone has been over 4,000 per cent in twenty years. From that country the importations of brushes in 1887 were about \$1,000, and in 1907 more than \$400,000. The increase has been largely in toilet brushes, and thus far the paint and varnish brush manufacturers of the United States have been affected but little. However, we see a menacing cloud on the horizon; the handwriting on the wall indicates that our competition from foreign markets will very soon become even more fierce on paint and varnish brushes than it is at present on toilet brushes. As an illustration, permit me to call your attention to the following tabulated example; samples of the brushes herewith submitted, both of which are made from 2½-inch Chinese bristles—our brush stamped "A," Japanese brush stamped "J:"

	Our 1-inch "A" var- nish.	Japanese 1- inch "J" varnish.
Length bristle used..... inches.....	2½	2½
Our cost for this bristle prepared ready for the brush, per pound.....	\$0.45	^a \$0.21
Weight bristles per brush..... ounces.....	5/32	^b 5/32
Cost of handles per gross.....	\$1.15	\$0.57
Cost of ferrules per gross.....	.67	.34
Cost of bristles per gross.....	.64	.33
Cost of labor per gross.....	.78	.14
Cost of nails per gross.....	.01	.01
Cost of boxes and packing per gross.....	.21	.21
Add 10 per cent for freight, cement, and factory expenses.....	.35	.16
Total cost per gross.....	3.84	1.79
Add 25 per cent profit, gross.....	.96	.45
Our selling price.....	4.80	
Sell in Japan at.....		2.24
50 per cent for duty, transportation, and insurance.....		1.12
		3.36

^a Japanese cost.

^b Weight per brush.

^c Our female help (the kind employed in making these brushes) averages 83 cents per day, same kind of labor is paid 15 cents per day in Japan, or 82 per cent less than ours, making their labor on a gross of these brushes cost 14 cents, as against 78 cents which we pay.

^d Selling expense, office expense, and losses must come out of this.

Thus it will be seen they are able to produce these brushes and add the same percentage (25 per cent) to their factory cost and lay them down in the warehouses of the United States jobber, with 40 per cent for duty and 10 per cent for transportation and insurance added, at a net price of \$3.36 per gross, or 42½ per cent less than we can sell the same article, and, as a matter of fact, 10 per cent less than our factory cost; so that even though the ad valorem duty imposed were 75 per cent it would no more than cover the difference in labor between the two countries. However, we are not asking for any such increase, but conscientiously feel that the duty should be at least 50 per cent on brushes, and that the specific duty of 7½ cents per pound on bristles should be removed.

Respectfully submitted.

WOOSTER BRUSH WORKS,
Per WALTER D. FOSS, Wooster, Ohio.

**BRIEF OF FIELDER C. SLINGLUFF, FOR WILLIAM WILKENS CO.,
BALTIMORE, RELATING TO BRUSHES AND BRISTLES.**

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The William Wilkens Company is a corporation doing business in the city of Baltimore.

It has branches in New York and Chicago, and has been in the same business—that of hair-bristle and brush-fiber manufacturers—for the last sixty-four years. It employs on an average about 500 hands, and a large and important branch of its business is and has been during the entire time of its business life the cleansing, treating, and manufacturing of bristles for brushes.

It buys these bristles in the packing centers in the West, in the crude state, and then prepares them for the brush makers, and it is now the principal consumer of these bristles left in the country, nearly all of the other manufacturers in this line having been forced to cease business because of the competition with bristles from the markets of China.

Some years ago Armour & Co. and Swift & Co. made an effort to dress their product of crude bristles and fight the Chinese competition, but after suffering serious loss they had to give up. The William Wilkens Company, assisted by their skillful workmen and with the most improved machinery, much of it of their own invention, have so far been able to meet this Chinese competition. How long they may be able to do so depends entirely upon the question now before the committee as to the reduction or entire elimination of the now existing duty of $7\frac{1}{2}$ cents a pound.

Bristles grow on the backs of hogs around the spinal column, and when the hog is killed and thrown into the boiling tub of water, and taken therefrom ready for the next process, these bristles are pulled off by several hundred of the employees of the William Wilkens Company, at the different packing places, and in this crude shape shipped to their factory in Baltimore for treatment. In this way the packer has a market for one of the many parts of the hog which would otherwise be wasted.

The Chinese Empire is a very large grower of hogs, and with its cheap labor can prepare and ship bristles far cheaper than can be done in this country. The average wage in China per day is a few cents or a handful or two of rice; while the William Wilkens Company pays its skilled labor in this line from \$2 to \$2.50 per day; and it has in its employ at its factory a large number of men who have been brought up in this business and know nothing else. The company has been preparing about 20,000 pounds of these bristles per month; but this amount is gradually decreasing because of this Chinese cheap labor; and, unless the business is fostered and protected by a proper and living tariff rate, this industry will certainly disappear in a few years from the country. The protection given to it at the present time is $7\frac{1}{2}$ cents per pound, but this barely gives a profit to the manufacturer, and should be increased and not diminished. The bristles are bought in this country in a crude state, just as they come from the back of the hog. When imported from China

they are in a condition prepared for the brush, as will be seen from the samples shown to your committee. All the loose skin is cleaned therefrom, and they are assorted in lengths, and the butts and flags of each hair separated and tied together, and are practically ready for the brush, and present a marked contrast to the crude American bristles, a sample of which also has been shown to your committee. The bristles thus shipped from China have been subject to the tariff of $7\frac{1}{2}$ cents per pound, and although many attempts have been made to have the same passed as crude or raw material through the custom-houses, the Government, through its appraisers and courts, has persistently held up to the present time that the China product as shipped was manufactured and not crude material and was subject to the duty. An effort is now made to have this duty of $7\frac{1}{2}$ cents removed and the China bristles entered free of duty, irrespective of the fact whether they are in a crude shape or are prepared or manufactured.

The William Wilkens Company does not claim that the bristles from China should pay duty if they are imported in a crude condition, although, even in this case, the American manufacturer finds it almost impossible to successfully compete with the Chinese cheap labor, but they do most earnestly protest against the removal of the $7\frac{1}{2}$ cents duty on the manufactured or semimanufactured material, as shown by the sample presented to the committee, and which is the condition in which these goods come from China. It costs the American manufacturer 15 cents per pound to convert the crude bristle from its crude condition to the condition of the China bristle, as imported, which is double the amount of the duty of $7\frac{1}{2}$ cents now imposed; so that, at the start, the China bristle, exclusively because of the cheapness of the Chinese labor and methods of living in that country, has the advantage of $7\frac{1}{2}$ cents per pound as against the American bristle. Take off this $7\frac{1}{2}$ cents and the hopelessness of the American manufacturer is apparent. With this state of the case in view, Congress has heretofore failed to let the China product in free of duty, except in the crude condition, although strenuous efforts in the past on the part of the brush makers has been made to this end.

The act of July 24, 1897, which fixed the duty at $7\frac{1}{2}$ cents per pound, says, in paragraph 411, that this duty is to be imposed on all "bristles, sorted, bunched, or prepared," while paragraph 509 of the same act excludes from the payment of said duty "bristles, crude, not sorted, bunched, or prepared."

The proper construction of these two paragraphs has been under consideration by the United States appraisers, as well as by the United States court, with the result that the duty has been affirmed as to the China importations put up in the shape of the samples shown to the committee.

The committee is referred to the opinion of General Appraiser Sharretts in case of Lewisohn & Co. (T. D. 15969, G. A. 2993). Also in case of Peter Woll & Sons (T. D. 20213, G. A. 4297). Also in case of J. C. Pushee & Sons (T. D. 24797, G. A. 5483), which case was affirmed in *Pushee v. United States* (155 Fed. Rep., 265), and which is now the law.

If the present status of this law is changed and the duty of $7\frac{1}{2}$ cents is removed, the prompt and inevitable result will be to close every bristle factory in this country now engaged in the business,

and, as we have already stated, this branch of manufactured industry will disappear.

Unless, then, there is a great corresponding benefit to be derived by the people or some large part of the people, Congress should hesitate before taking such action, and the question naturally arises, What influence and interests are back of the movement to have the tariff removed? It is apparent that the brush maker is the party in interest. The wages of his employees can not be increased by taking off so small a duty as $7\frac{1}{2}$ cents per pound, and hence they will derive no benefit from the same. While these employees will not be benefited, the employees of the bristle factories will lose their places entirely. The consumer of the brush can not be benefited, because it takes only from one-half to two ounces of bristle to make the brush, and hence the actual cost of each brush would be so infinitesimal that no difference in price could be made to the consumer. The issue, then, is simply one between Chinese and American labor, with a very small resultant benefit to the importer of the China bristle or to the manufacturer of the brush therefrom.

Respectfully submitted.

FIELDER C. SLINGLUFF,
FOR WILLIAM WILKENS COMPANY.

HANLON & GOODMAN COMPANY, NEW YORK CITY, ASKS A SIXTY PER CENT DUTY ON BRUSHES, AND FREE BRISTLES.

NEW YORK, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to Schedule N, paragraphs 410 and 411, relating to the duty on bristles and brushes, we desire to call attention to the following facts regarding the brush industry of the United States:

First. There are between 4,000 and 5,000 men and women employed making brushes in the United States and between 500 and 1,000 making handles, ferrules, nails, tacks, and other materials used in the manufacture of brushes. Of this number, at least 60 per cent are engaged in making small and inexpensive brushes on which the labor and American material figures 80 per cent or more of the cost.

Second. In our factory the average wage of males is \$2.58 per day; females, \$1.23 per day. No child labor.

Japanese brush factory pays males 50 cents per day, females 15 cents per day, children 5 cents per day.

REPORT ON BRUSH MAKING IN GERMANY.

Brushes are made principally in the territory surrounding Chemnitz. About 50 per cent of the brushes are made in factories and an equal quantity made by the poorer classes in farmhouses and small homes in and around the city.

The plan generally followed is known as the factor system. Men calling themselves factors supply the home brush makers with a stock, such as bone, wooden parts, and bristles. After the brushes have

been made from the raw material they are returned to the factor, who pays the maker for the labor.

Brush makers in Germany (Nuremberg, Brandenburg, Schonheide, and Todtman) earn 7 to 10 marks (\$1.68 to \$2.40) each per week. In some instances the earnings are as low as 4 to 5 marks (96 cents to \$1.20) or 5.76 marks (\$1.38), but such instances are rare.

Families compelling the children to assist them in the manufacture of brushes earn from 22 to 27 marks (\$4.28 to \$6.48) per week. Workers skilled in the manufacture of high-grade brushes earn as much as 30 marks (\$7.20) per week. (Extract from the Imperial German Labor Bulletin, February, 1906, p. 122.)

Third. The bristles used in these brushes are entirely foreign, as American bristles are not adapted for this class of work.

Under the present tariff (par. 411) the American brush manufacturer is obliged to pay $7\frac{1}{2}$ cents specific duty per pound. This amounts, on the $2\frac{1}{2}$ -inch Chinese bristles, to nearly 47 per cent; on $2\frac{3}{4}$ -inch, about 34 per cent; on 3-inch, nearly 27 per cent.

Fourth. The total importation of bristles from July 1, 1906, to July 1, 1907, was 3,433,941 pounds, of which 1,159,487 pounds were Chinese bristles, or about one-third of the entire importation.

Statistics show that from July 1, 1896, to July 1, 1897, only 108,335 pounds of Chinese bristles were imported, showing an increase of over 1,000,000 pounds in ten years.

Fifth. One-third of the Chinese bristles imported are $2\frac{1}{2}$ inches in length, having an average value in China of 16 cents per pound, on which we are obliged to pay a duty equal to about 47 per cent.

Sixth. The manufactured brushes from which this size alone are made give employment to a large number of people, and the other lengths up to 4 inches a great many more.

Seventh. In 1890 Japan exported less than \$1,000 and in 1907 over \$400,000 worth of brushes to the United States, an increase of over 4,000 per cent in seventeen years, and they are just commencing to export paint and varnish brushes.

Eighth. The total importation of brushes, on which the duty is now 40 per cent ad valorem, was: July 1, 1897, to July 1, 1898, \$745,267; and July 1, 1907, to July 1, 1908, \$1,648,310—more than doubled in ten years, owing to free bristles and cheap labor enjoyed by foreign manufacturers.

Ninth. Reasons why American bristles require no protection: (1) In recent years the quantity of domestic bristles has gradually grown less and less, on account of the killing of the hog when it is very young. Before this it is fed up and fattened artificially, so as to make its flesh very tender. This of course does not permit its hair to grow either long or strong. It is consequently short and weak, measuring in the most cases from $1\frac{1}{2}$ to 3 inches in length. Notwithstanding this, it has a merit of its own, presumably brought on by climatic conditions, which make the hair, in spite of its thinness, quite flexible and lively, and useful for valuable purposes on account of this particular distinction. In addition to this comes the important point, its lightness and weight.

Any bristle coming from abroad in the same length and quite as thin would be utterly useless for the same purpose. Consequently American bristles no longer require any protection, as they stand on their own merits and have no competitor, and will command the same price without a tariff as they do with one.

(2) The quantity of the American bristle, on account of the early killing process, has so diminished that the value of its whole product does not nearly amount to the duty paid on the imported bristle, and can not therefore be placed as a protection to a home-grown product. In reality it is to be classed only as a waste in the hog-killing industry, if you consider that the value of the bristles on each killed hog is only from 1 to 2 cents per head. Neither is it to be classed as an industry, for the number of hands employed in its preparation, dressing, etc., do not equal the number of hands employed in one brush factory of moderate size.

The revenue from bristles is of the most insignificant nature compared to other revenue-producing articles. Nevertheless the $7\frac{1}{2}$ cents per pound specific duty is a great handicap in the brush industry of our country, and if it is to expand, bristles should be free and manufactured brushes be protected by a 60 per cent ad valorem duty to help place the American manufacturers on a footing with foreign ones exporting brushes into the United States.

In closing we beg to state we are a corporation, incorporated under the laws of the State of New York, and have no agreement with any competitor regarding the production of brushes or the prices at which they shall be sold, and that we know of no such combination of manufacturers in the United States.

Respectfully submitted.

HANLON & GOODMAN COMPANY,
ERNEST B. WRIGHT, *President*.

MILES BROS. & CO., NEW YORK CITY, ASK A REDUCTION IN DUTY ON BRISTLES AND AN INCREASE ON BRUSHES.

NEW YORK, *November 30, 1908.*

HON. SERENO E. PAYNE,

Chairman of Ways and Means Committee,

Washington, D. C.

DEAR SIR: Relative to present duty on bristles, as well as the duty on manufactured brushes, would say: The present duty of $7\frac{1}{2}$ cents per pound on all kinds of bristles (whether they cost us from 26 cents to \$3 per pound, including said duty) makes our industry pay tribute of said $7\frac{1}{2}$ cents per pound on its raw material, which can not be produced within the United States; in fact, can only be obtained from foreign countries. Therefore, foreign manufacturers have a $7\frac{1}{2}$ cents per pound start and advantage over United States brush makers before touching the raw material.

As to the soft, short hair taken off the swine killed in the United States, it is of little use for brush making, being too short, and goes mostly into curled hair. Also, the number of pounds produced per annum is very small in comparison with the foreign bristles that come into this country per annum for our needs, and which can not be procured elsewhere than from China, Russia, and other cold climates. These China and Russia quality bristles can not be raised in the United States, even if you offered a bonus per pound, as the climate is not here.

Why should 3,433,941 pounds of bristles imported from July, 1906, to July, 1907, be saddled with a duty of $7\frac{1}{2}$ cents per pound for the

sake of protecting, say, 433,941 pounds of soft United States swine hair not fit for 90 per cent of the usages of the United States brush maker, while as a matter of fact the other 3,000,000 pounds imported, saddled with 7½ cents per pound duty, can not be produced at all in the United States or in any other locality in the world, except in the localities in foreign lands where the bristles come from at present?

We plead for a revision of paragraph 411 of old law, as follows:

Bristles sorted, bunched, or bundled, in customary one length to a bunch or bundle, but not in any manner ready to be made into a brush, free of duty.

Bristles of every kind, in small bunches or bundles, ready to be made into a brush, duty 50 cents per pound.

Kassan hair, badger hair, ox hair, fitch hair, mixed hair of all kinds, in small bundles ready to be made into a brush, duty of \$1.50 per pound.

As to duty on imported manufactured brushes, we desire it increased from 40 per cent to 60 per cent, owing to vast difference 'twixt American and foreign wages, particularly in toilet and drawn work, such as hair, nail, military, cloth, shoe, hat, and bath brushes. These comprise the bulk of foreign brushes imported 'twixt July 1, 1907, and July 1, 1908, \$1,648,310. We have a case in sight where a customer sent our \$6 per dozen hairbrush to Germany and had similar brush supplied for around \$5 per dozen, including the present duty of 40 per cent, and we lost further orders and labor for our factory.

Another instance, this year we made a solid back hairbrush similar to English made brushes that are used at Waldorf-Astoria Hotel, New York City, but did not get the business (as the material and labor in our brush cost \$26.58 per dozen, and could not be sold for less than \$32 per dozen), as New York City wholesale drug houses sold the English brush at \$27 per dozen.

Now, as to price of labor, we learn Japan males receive 50 cents per day; females, 15 cents per day; children, 5 cents per day. This nationality is shipping to-day into the United States thousands of grosses of brushes per annum, and it will need a duty of at least 80 per cent to start the American manufacturer competing with the Japanese.

Same way with wages in England, France, and Germany being much less than United States.

This firm pays as high wages as paid in the United States for making toilet work; take hair and military brushes, skilled borers on steam machine, at 13 to 15 cents per 1,000 holes, can not earn over \$18 to \$20 per week, while draw hands (putting bristles in the holes of hairbrush block), at 35 to 40 cents per 1,000 holes, can not earn over \$8 to \$12 per week; both occupations tedious work and uninviting for future learners, and owing to quantity of foreign brushes coming in yearly it is hard work to give steady employment to all our hands continually through the year; therefore, if our people want foreign brushes let them pay a good, round figure for them, say a duty of 60 per cent or more; in meantime the American makers will be forging ahead, competing and chewing one another up, safeguarding the American public from being overcharged and the American brush maker getting too wealthy, but as "employment" is the foundation of all happiness and contentment, give the working people of the

United States every chance for steady work. Any increased price they pay for a United States made article of any kind is vastly over-balanced by having employment 313 days per year instead of 250, or less, days work per year.

Respectfully submitted.

MILES BROS. & Co.,
Manufacturers of brushes.

**RENNOUS, KLEINLE & CO., BALTIMORE, MD., ASK PROTECTION
FROM JAPANESE COMPETITION IN BRUSH TRADE.**

BALTIMORE, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Rennous, Kleinle & Co., of Baltimore, are manufacturers of brushes, our specialty being those for the paint, oil, and varnish trade, but we also manufacture brushes for household uses. Heretofore we have been but slightly affected by the 40 per cent ad valorem duty; but there exists at the present time a very large and strong combination of brush manufacturers in Germany who are now represented in the United States, and are quite a factor in the paint and varnish brush business.

In recent years Asiatic competition in toilet brushes has almost driven certain manufacturers of American made toilet brushes, especially hair, tooth, and nail brushes, out of business. It is impossible to inquire of a retail dealer of tooth brushes in the United States where you will not find in his stock tooth brushes "made in Japan." They are now commencing to manufacture the cheaper grades of paint and varnish brushes in imitation of American goods in which the shorter lengths of Chinese bristles are used. Labor is the greatest item of cost in the manufacture of cheap brushes, and where the foreign wage amounts to about one-fifth of what we pay for the same kind of labor in the United States, it must be evident that 40 per cent is not a sufficient duty on brushes. When it is taken into consideration that, in addition to the difference in the cost of labor, they have the still further advantage of bristles costing them at least $33\frac{1}{3}$ per cent less than ours cost on the same lengths and qualities, it is evident that we are placed at a great disadvantage.

During the past four weeks we have had 138 employees in our factory engaged in the manufacture of brushes, as follows:

	Average wage.
59 men -----	per day-- \$2. 43
30 boys -----	do.---- 1. 00
49 females -----	do.---- . 78

Japanese brush manufacturers, we learn, pay the following average wage:

	Cents.
Males -----	per day-- 50
Females -----	do.---- 15
Children -----	do.---- 5

We are safe in stating that during the past five years our company has used ten pounds of Asiatic or black Chinese bristles to one pound of European, or Russian, German, and French bristles.

Our percentage of purchases for the past five years on Chinese bristles was as follows on the following sizes:

Length -----inches--	2½	2¾	3	3¼	3½
Purchases in pounds-----per cent--	30	17	21	17	15
Average cost to us (during past 5 years)--cents--	29½	39½	46	56½	76
Less 7½ cents per pound duty-----	7½	7½	7½	7½	7½
Foreign value-----cents--	21½	32	38½	49½	68½
7½ cents per pound equals-----per cent--	34½	23½	19½	15½	11

The above are the sizes which are used in the cheaper grades of brushes.

This shows that the present duty imposed is in our judgment excessive. In view of the fact that the small quantities of American bristles produced is inadequate, as well as entirely unfit for use in paint and varnish brushes, we can see no reason why the present duty, or any duty whatsoever, should be placed upon bristles.

There is no combination or association of brush manufacturers in the United States for the purpose of controlling production or regulating prices. Competition is very keen, profits are small, and it will be a great advantage to the consumer should the duty be taken off on bristles. The foreign brush manufacturer has the advantage of not only a lower wage base, but also of his bristles free of duty.

The following statement shows a large yearly increase of Chinese bristles exported from Tientsin:

Year.	Cases of 112 pounds each.	Pounds.
1900-----	8,000	896,000
1901-----	11,000	1,232,000
1902-----	14,000	1,657,600
1903-----	15,300	1,713,600
1904-----	14,954	1,674,848
1905-----	11,326	1,268,512
1906 ^a -----		
1907-----	18,719	2,096,528
To July 23, 1908-----	9,490	1,062,880

^a Impossible to procure data.

In the year 1907, out of 18,719 cases, of 112 pounds each, a total of 2,096,528 pounds, the United States took 13,891 cases, or 1,555,792 pounds, over 74 per cent of the entire quantity exported from the port of Tientsin alone.

Direct shipments are also made from Newchwang, Chungking, Hankow, and other Chinese ports, but I have not been able to obtain the figures from the last-named cities.

A normal assortment, as exported from China, consists of 66 cases of 110 to 112 pounds each, or a total of about 7,260 pounds, as follows:

Length-----inches--	2½	2¾	3	3¼	3½	3¾	4	4¼	4½	4¾	5 to 6
Cases-----	23	7	8	7	5	4	3	2	2	1	4
Total, 66.											

Thus it will be seen we have about 35 per cent (2,530 pounds) 2½ inch, present price of which is 30 cents per pound, but the average price during the past five years to the American manufacturer has been about 29 cents per pound, on which 7½ cents per pound specific is equivalent to 34½ per cent duty on price laid down in England or

Japan; or, deducting $7\frac{1}{2}$ cents per pound duty and allowing $2\frac{1}{2}$ cents for transportation charges and insurance and 2 cents per pound profit to the importer, it is safe to assume that the $2\frac{1}{2}$ -inch length is worth to-day about 18 cents per pound in China or Japan. It is therefore evident that the same bristle, under the present $7\frac{1}{2}$ cents per pound specific duty, is now costing the United States manufacturer about 60 per cent more than the Japanese brush manufacture. We would suggest that Schedule N, paragraph 410, should read: "Brushes, hair pencils, in quills or otherwise, 50 per cent ad valorem."

Please note we have omitted brooms and feather dusters of all kinds, for the reason that, in our opinion, these items belong to an entirely separate and distinct industry, and should not be classed along with brushes and hair pencils.

Paragraph 411, "Bristles, sorted, bunched, or prepared on free list."

In conclusion we wish to state that we are an incorporated company, with a capital stock of \$175,000, of which amount \$97,500 is invested in plant, machinery, tools, and fixtures.

We have from 125 to 150 employees, and our products are distributed in nearly every State in the Union.

Respectfully submitted.

WM. P. BIGELOW, *President.*
 RENNOUS, KLEINLE & Co.,
Baltimore, Md.,
Manufacturers of Brushes.

**DIXON & RIPPEL, NEWARK, N. J., APPEAL FOR FREE BRISTLES
 AND AN INCREASE OF DUTY ON BRUSHES.**

NEWARK, N. J., *November 30, 1908.*

HON. SERENO E. PAYNE,
Chairman, House of Representatives,
Washington, D. C.

DEAR SIR: As manufacturers of brushes and users of bristles, we believe that brush manufacturers generally throughout the United States require an increase in the duty on manufactured brushes; also that bristles should be placed on the free list.

Schedule N, paragraph 410, of the present law gives the duty on brushes as 40 per centum ad valorem. This should be increased to at least 50 per centum ad valorem.

Our reasons for recommending these changes are, briefly stated, as follows:

The importations of foreign brushes during the past eleven years have increased each year from \$745,267 (July 1, 1897, to July 1, 1898) to \$1,648,310 (July 1, 1907, to July 1, 1908).

The difference in wages to labor is so greatly in favor of the United States that a comparison seems ridiculous. For instance, employees in Japanese brush factories are paid an average of: Males, 50 cents per day; females, 15 cents per day; children, 5 cents per day.

Our cost of production is large owing to the fact that, in addition to paying the highest wages, we use (outside of bristles) materials which are made and produced in the United States, for which we pay regular market prices.

Schedule N, paragraph 411, of the present law gives the duty on bristles sorted, bunched, or prepared as $7\frac{1}{2}$ cents per pound. This should be entirely removed and bristles allowed to come in free of duty in order to allow us to compete with foreign nations, especially Japan, which does not pay any duty on bristles.

Trusting for favorable action in the matter, we remain,

Yours, very truly,

DIXON & RIPPEL, *Manufacturers of Brushes.*

LANSINGBURG, N. Y., BRUSH MANUFACTURERS SUGGEST NEW CLASSIFICATIONS FOR BRUSHES AND BRISTLES.

LANSINGBURG, N. Y., *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: The undersigned manufacturers of brushes, in which of materials used bristles are the chief component part, and on which the duty of those imported is $7\frac{1}{2}$ cents per pound, would respectfully state that the hogs in our country being young and fat when slaughtered, their bristles are quite soft and short, and therefore of but little value as compared with the stiff and long bristles that are imported, and that probably not over 1 per cent of our American bristles are over 3 inches in length.

Crude bristles are in free list, No. 509, but scarcely any such are imported, as it is found best at about time of gathering to then sort the different colors and lengths and to bunch them by tying with twine or bark so as to tightly pack in casks.

We would, therefore, respectfully request that in the proposed revised tariff bill bristles read as per below:

Schedule N: Bristles, 3 inches and under in length, $7\frac{1}{2}$ cents per pound.

Free list: Bristles, upward of 3 inches in length.

E. & C. Wood Co., C. Wood, president; Greenburg & Morse; Wm. J. O'Brien Brush Co.; Empire Brush Co.; F. M. Hoyt & Bro.; O. Dennin's Sons; Monarch Brush Co.; A. L. Sonn Brush Co.; Hiack Bros.; John G. O'Bryan.

WALKER & GIBSON, OF ALBANY, N. Y., OPPOSE ANY INCREASE WHATEVER IN THE DUTY ON BRISTLE GOODS.

ALBANY, N. Y., *December 1, 1908.*

HON. S. E. PAYNE,

Washington, D. C.

DEAR SIR: We notice that some of the manufacturers of brushes in our State are trying to have an increase made in the tariff on bristle goods. It seems to us that this is quite unnecessary, as the present tariff is high enough to protect any manufacturer who is worth thinking about. We purchase a large amount of these goods during the year, and we believe that any increase in the tariff would be a hardship not only to the dealers but on the general public who

use these goods. Every person who buys a toothbrush or hair-brush would immediately feel the increase if the tariff should be changed.

We hope that you will consider this matter from our standpoint and not allow the advance to be made.

Yours, very truly,

CHARLES GIBSON, *President.*
WALKER & GIBSON,
Wholesale Druggists.

**JOSEPH C. BONNER, TOLEDO, OHIO, RECOMMENDS THAT BRISTLES
USED IN MAKING BRUSHES BE PLACED ON FREE LIST.**

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

SIRS: I beg to submit a plan for reconsideration under tariff Schedule N, paragraph 411, Bristles, and to recommend that same be changed from duty rate of $7\frac{1}{2}$ cents per pound to the free list.

Reference for statements of fact is had to brief filed by the petitioner on schedule, subject, "Sundried N, Brushes," 410.

In the brush art, bristles are the essence of the produced brush article. The world's supply of bristles is never equal to the market demands. In consequence, fiber substitutes are utilized, adulterations by every possible method are resorted to for materials demanded in the completed brushes for needed consumption.

Again, foreign hog bristles to-day in variety and quality much surpass the American hog variety. This feature is patent to any informed farmer boy. The domestic pig of the United States is killed on reaching age of eight to eleven months. Its hair, if any, is fine, curly, and short, not adapted to any brush use, except in connection with making of the cheapest brush varieties.

The American brush producers seek all the important countries of the world for bristle supplies, principally Russia, France, India, and China. This hair is largely the bristle of the wild hog, and is found by peasant children, gathering same in the wilds of the forests, where the hog in his wanderings finds a log or a rock for a rubbing place to shed and rub away his shedding hair.

Manufactured bristle is scarcely understood, for in reality all bristle in market is raw, figuratively. Hair when bought is tied in bundles straight; such is dutiable at $7\frac{1}{2}$ cents per pound; hence bristles should be placed on free list—

First. For the reason that 35 cents per pound in labor is placed on the bleached stiff article before it is ready for the intended brush. This process in more detail is known in the trade—washing, tying, drying, bleaching, sorting, or dragging (to like lengths), picking as to colors, sieving or turning, cutting, mixing, shaking, and tying. This procedure is rarely if ever had prior to importation of bristles.

Second. Foreign bristles do not in any sense compete with the American variety in color, stiffness, length, hence as to quality.

Third. Since the foreign-variety bristle can not be American produced it is a basic principle of the tariff-making body to give to American manufacturers free all raw materials not procurable in this country.

Fourth. Bristles should be on free list because brush manufacturers must now and do employ lowest wage-labor scale known in this country to enable them to endeavor to compete with like kind of foreign cheapest wage-scale labor.

Fifth. American bristles will continue in demand at advanced prices, more than duty compensation of $7\frac{1}{2}$ per pound, because of scarcity of raw hair.

Respectfully submitted.

JOS. C. BONNER,
President Ames-Bonner Company,
Brush Manufacturers, Toledo, Ohio.

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**COL. ALBERT CLARKE, BOSTON, MASS., SUBMITS ADDITIONAL
STATEMENT BY JOHN L. WHITING-J. J. ADAMS CO., BOSTON,
RELATIVE TO ENGLISH BRUSH MAKING.**

BOSTON, *December 2, 1908.*

Col. ALBERT CLARKE,
Hotel Hamilton, Washington, D. C.

DEAR COLONEL: I told you when there that I had a clipping which referred to British Brush Association or combination. Inclosed please find same. Some of its purposes are contrary to our laws and could not be entertained here, but you will see that there is a close association there for specific purposes that are not in the interest of free competition. There is nothing of the kind in the United States. You will also notice that in Mr. Kent's letter he congratulates himself on the quantity of their brushes that they are selling in the United States, and well he may, for they sell large quantities of toilet brushes here, all of which ought to be made by American brush manufacturers.

I find also a clipping in reference to wages of English brush makers, which are much lower than they are in the United States, and even these low rates of wages are much higher than those paid in France, while the Austrian wages and German wages are much lower than the French and English. The Japanese wages to brush workers are very much lower than in any other part of the world, and as you know, they are sending to the United States now something over 25 per cent of all of the imported brushes.

If you think it advisable to file this letter and clippings, please do so.

Very truly, yours,

LEW C. HILL, *President,*
JOHN L. WHITING-J. J. ADAMS CO.

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EXHIBIT A.

[From Brooms, Brushes, and Handles, March, 1908.]

Members of the British brush trade have recently made a move in which this paper thinks American brush makers would do well to follow their example. This is in the formation of the British Brush

Manufacturers' Association, which has been organized within the past few months. Ernest N. Kent, of the prominent London brush concern of G. B. Kent & Sons (Limited), is president of the new association, A. L. Burrow and R. W. Chase are vice-presidents, C. Hamilton Watkins is honorary treasurer, and T. M. Till, secretary.

Writing of the association under date January 31, Mr. Kent says:

EDITOR BROOMS, BRUSHES, AND HANDLES:

It will probably interest your readers to learn that an association has just been formed of the brush manufacturers of Great Britain and Ireland.

I inclose you the rules of the association, which explain themselves. These are the proposed rules as put before the meeting by a provisional committee appointed to draw them up, and they were carried as they stand with one slight alteration (which I have marked).

Although some time ago there was a society of master brush manufacturers in this country, it was chiefly composed of a few of the largest makers, and its objects were principally to deal with disputes with workmen. This old society ceased to exist, for the reason, I suppose, that over here the relations between masters and men in our trade are so amicable, and no meetings have been held for several years.

The new British Brush Manufacturers' Association has sprung into being from no thought whatever of coming trouble with workmen, for, to use the words of the King's speech (slightly altered), "Our relations with our employees continue to be friendly;" but you will observe from the "objects" of the association that there are other matters which might be discussed between masters for the benefit of all concerned.

If you have any such association of the trade on your side of the Atlantic, I should be very pleased to hear of it, and exchange notes at any time.

Your valuable paper, Brooms, Brushes, and Handles, comes regularly to hand each month, and is read with interest by yours truly. It is amusing to note how airily and breezily your manufacturers talk of their trade and their doings to your interviewers or correspondents. Here when we are booming we say "We mustn't complain" (and we sometimes say it when we are not). That is about as much as one brush maker hears of his friendly opponent's business.

If you would like to hear a word about the business of my company, G. B. Kent & Sons (Limited), I will tell you that 1907 has been kinder to us than three or four of its predecessors, and, in spite of a mild protection of only 40 per cent ad valorem, the demand for our excellent productions by your hospitable country shows a record during those twelve months.

In this respect, whether the palm goes to the excellence of the wares or to the push, grit, and business acumen of our very good friends, Messrs. McKesson & Robbins, of New York, our sole agents, is a moot point—but we are both pleased.

Wishing your publication all success, I am, yours faithfully,

G. B. KENT & SONS (LIMITED).

ERNEST N. KENT,

President British Brush Manufacturers' Association.

The rules of the new association are here given, with the idea that they may be of interest to American brush manufacturers and may perhaps incline them to "go and do likewise." They are as below:

Name: The name of the association is "The British Brush Manufacturers' Association."

Offices: The offices for the business of the association shall be situated in London.

Objects: The objects for which the association are established are:

(a) To maintain in London an association of brush manufacturers, which will, as occasions arise, organize, promote, and deal with all matters in any way affecting the interests of the members of this association and the brush trade in general.

(b) To make and define rules and regulations, to obtain uniformity in wages and customs in the brush trade, and to establish just and equitable principles therein.

(c) To protect and safeguard the interests of the members of the association and trade generally upon such matters as disputes with workmen, selling prices, government and other contracts, insurances, legislation and arbitration, the standardization of weights, and the proper description and marking of goods.

(d) To establish a clearing house among members of the association for surplus raw materials.

(e) To collect information as to the credit and standing of the traders for the benefit of the members of the association and to assist them in the collection of accounts owing to them.

EXHIBIT B.

WAGES OF ENGLISH BRUSH MAKERS (AUGUST, 1907).

R. E. Graves, chief home office factory inspector at Birmingham, England, gave evidence before the parliamentary committee on home work, and in reference to the brush-making industry at Birmingham he said there had been a great increase in the use of machinery in this trade, and home work was decreasing. The only branch of the trade in which there was home work was that where pitch pans had to be used. The wiring was not done by hand. He considered this was a sweated trade, especially as regards the cheaper classes of brushes.^a The pay was at the rate of 5½ pence to 7 pence per 1,000 holes, and it took a worker four hours to do 1,000 holes. Most of the home workers in this trade were men. They had to buy their own materials, and the prices of these had gone up 40 or 50 per cent. In the French polishing a man could earn from 10 to 12 shillings per week.^b The prices of material in this trade had largely increased. He had been told of a case where a man and his wife earned 30 shillings (\$7.50) a week between them, and the man said that twenty years ago he could have earned that amount himself. The decrease in the wages was due, to some degree, to keener competition.

BRUSHMAKERS' INTERNATIONAL UNION, WEST HOBOKEN, N. J., ASKS RETENTION OF PRESENT DUTIES ON BRUSHES.

WEST HOBOKEN, N. J., *December 4, 1908.*

COMMITTEE ON TARIFF REVISION.

DEAR HONORABLE SIRs: At a meeting of Local No. 2, Brushmakers' International Union, held on December 1, 1908, I was instructed to write to your honorable body in behalf of a body of men (between four and six thousand) who are employed in this country at the trade of making paint, varnish, artist, and what is known as "draw-work" brushes. Our trade exists from the fact that a protective tariff prevents foreign competition, and a reduction in the duties as they stand upon the statutes to-day would mean a speedy demoralization of our trade. As it is there is coming into our country to-day many styles of brushes which could be made here, but owing to the fact of

^a Wiring bristles into brushes in the United States costs three to four times prices named herein.

^b French polishing workers are paid in the United States \$18 and over per week.

the cheap labor in other countries we can not compete with them. So we petition your honorable body to continue the duty upon brushes as it stands to-day, and if we are permitted we would suggest that the duty on raw bristles be reduced, because of the fact that about nine and one-half tenths of the bristles used in this country in the making of brushes are imported from the other side, as the American bristles have not the qualifications that are required in the making of a brush to be used in paint, varnish, and artist work, and we would further suggest that if our petition be granted in regard to the aforesaid suggestion that such a reduction be added upon the duty of brushes, for by so doing the cost of brushes could be reduced without interfering with the cost of making them as far as the brush maker is concerned.

I am, respectfully,

PETER F. BISCHOFF,
Secretary Local No. 2, Brushmakers' International Union.

STATEMENT OF HENRY ALEXANDER, No. 371 BROADWAY, NEW YORK CITY, PRESIDENT UNIVERSAL BRUSH CO., OF TROY, N. Y., WHO ASKS REMOVAL OF DUTY FROM BRISTLES.

MONDAY, December 7, 1908.

Mr. ALEXANDER. Mr. Chairman and gentlemen of the committee, I propose to restrict my argument to the removal of the duty on bristles, paragraph 411.

I appear here, as a manufacturer of toilet brushes, to request the removal of duties on bristles as specified in paragraph 411 of Schedule N. In this request I am joined by every manufacturer of brushes, of whatever kind, in this country, as the different briefs filed with your committee amply show.

The CHAIRMAN. The paragraph reads, "Bristles, sorted, bunched, or prepared 7½ cents per pound." You are speaking of the sorted article?

Mr. ALEXANDER. That is, prepared bristles ready to enter the brush industries, as I will show you in a moment.

Now, gentlemen, the brush industry in this country is by no means a negligible quantity. We import and we consume over three and a quarter million dollars of imported bristles annually, and the output is certainly not less than \$8,000,000 per year. And I want to say that there is a distinction between brushes and such articles as brooms, though I believe they are classed together by your bureau of statistics, so that the figures are perhaps not exactly as correct as I would like to see them. But the brush industry, such as the clothes brush, the paint brush, etc., amounts to about \$8,000,000 to \$10,000,000 a year. This industry employs thousands of American work men and women at living wages, though smaller than that paid in many other industries. It is scattered all over the country, is free from any combination of capital, is not in any trust, and it is entitled to your very earnest consideration. Brushes are an absolute household necessity in a civilized country like ours, and every one of you gentlemen has a toothbrush for himself and for all members of your family; you all have several hair brushes in your households, also a clothes brush, a shoe brush, etc.

Now, it is the aim of the American manufacturer to make these brushes in this country, and the first obstacle that greets him is the tariff on his most necessary raw material, bristles.

The CHAIRMAN. There is a tariff of 8.03 cents—8 per cent.

Mr. ALEXANDER. I think I can enlighten you upon that.

The CHAIRMAN. And there are \$3,000,000 worth imported?

Mr. ALEXANDER. Three and a quarter million dollars' worth, and that turns out about \$8,000,000 to \$10,000,000 worth of brushes.

The CHAIRMAN. Three million dollars' worth of bristles, sorted and prepared, paying a duty of 8 per cent—that is a low duty?

Mr. ALEXANDER. If you will allow me to go on with my argument, I think I can show that it is a high duty. With the exception of an insignificant quantity, all bristles that enter into the brush industry have to be imported from abroad and do not come at all in competition with the domestic article. We have none at all, because the hogs are usually killed at the age of 6 to 8 months, and they are killed for the tenderness of their meat and not for their bristles.

Paragraph 411 places the uniform duty of 7½ cents per pound on bristles, irrespective of their cost and length.

It may not be known to your committee that bristles such as enter into brush making run all the way from the low price of 17 cents per pound to \$6 per pound and over. All the cheap grades of bristles are brought in here from Chinese ports, and the figures of the Bureau of Statistics show that in 1907 out of a total of 3,433,941 pounds of bristles brought into this country, 1,195,390 pounds were brought in here from Asia, or slightly over one-third of the quantity of all the bristles imported, leaving 2,238,183 pounds from Europe. In other words, for every 2 pounds of bristles that Europe exported into this country China exported 1 pound to us.

When we turn, however, to the value of these bristles, a very much more striking picture is presented to us. The two million and odd pounds of European bristles were valued at \$2,571,805, averaging \$1.10½ a pound, whereas the one million and odd from China were valued at \$684,546; or an average of about 57 cents a pound, just about one-half the value of the European bristles per pound.

This, however, is not yet a fair statement of the cost of these Chinese bristles, inasmuch as bristles are sold by lengths, and the longer bristles are comparatively very much higher than the shorter lengths.

Now, the great bulk of Chinese bristles consumed by the brush makers consists of the short lengths of 2-inch, 2½-inch, and 2¾-inch, such as I am showing here by samples before me. These short lengths are bought here duty paid at an average of 25, 26, and 27 cents per pound; or, in other words, they are bought in the markets of London and Hamburg, to which ports all these China bristles are originally consigned, at 17, 18, and 19 cents per pound. Your committee will therefore readily see that the actual duty on these short-length bristles, which form 40 per cent of all the Chinese bristles used by the brush makers in the United States, is no less than 45 per cent and 40 per cent on their cost in Europe, or fully an average of 42½ per cent on the above three leading lengths. And this is the hardship and handicap of which the manufacturers ask your honorable body to relieve us.

I shall now apply a few minutes of my time to the particular branch of the brush industry which I represent, and which is almost an exclusive user of short Chinese bristles.

Mr. UNDERWOOD. You say that all of the bristles used in the brush manufactories of this country are imported from abroad?

Mr. ALEXANDER. All the bristles that are used in the toilet brush, the paint brush, the shoe brush, and the clothes brush industry are imported bristles. We do not make any distinction in this country upon articles using bristles—we call everything a brush. We call the little brush with which we clean the lamp chimney a “brush,” while it really is not a brush. That may have a soft bristle in it which does not enter into our industry at all.

The CHAIRMAN. The finer bristle comes from North Poland, the north of Russia, Finland, does it not?

Mr. ALEXANDER. Yes; from the coldest countries in the world; the colder the country the stiffer the bristle. The Siberian bristle is a very good one.

The CHAIRMAN. And a very good quality of bristle comes from China?

Mr. ALEXANDER. Only a medium quality comes from China. The best comes from Siberia, Manchuria, and Poland.

The CHAIRMAN. The best comes from there, but a fair quality comes from China?

Mr. ALEXANDER. And the very cheapest comes from China.

The CHAIRMAN. Still, when you take them altogether they average a dollar a pound.

Mr. ALEXANDER. But the proportion is so entirely different. You do not distinguish between lengths, Mr. Chairman. That is the sort of bristle [handing a sample to the chairman] of which 40 per cent of all the Chinese bristle that comes in here is constituted.

The CHAIRMAN. Is not the business of sorting bristles carried on in this country?

Mr. ALEXANDER. There is some.

The CHAIRMAN. Twelve years ago they represented that it was quite a large industry, although I do not know anything about it.

Mr. ALEXANDER. Were you speaking of sorting foreign or domestic bristles in this country?

The CHAIRMAN. I do not know which, but there are hardly any foreign bristles imported excepting the sorted, are there?

Mr. ALEXANDER. Excepting they are dressed, because they can do it cheaper over there than we can here.

The CHAIRMAN. Looking back to see what the importations were prior to that, I notice that in 1894 and 1895 the sorted bristles were 10 cents a pound, and we imported in 1894, 592,000 pounds, while in 1907 only 11,000 pounds. The sorting of imported bristles was much larger then than now. The whole importation was included in 1894, sorted and unsorted.

Mr. ALEXANDER. We are bringing over no unsorted bristles, because the labor would be too expensive to put the butt ends together.

The CHAIRMAN. The sorted bristles, in bunches, 7½ cents a pound, which amounts to from 7 to 8 per cent in the last twelve years.

Mr. ALEXANDER. Yes; bristles as a revenue producer are not much of an item.

The CHAIRMAN. And they are valued at \$1 a pound, sometimes over and sometimes less.

Mr. ALEXANDER. That is really misleading, because you can not average them.

The CHAIRMAN. There is no particular reason in misstating the value of an article imported where the duty is specific.

Mr. ALEXANDER. That is why I am glad of having the opportunity of presenting it to you, because, as I stated, an average is not proper. It would take 36 pounds of Chinese bristle at 16 cents a pound to average 1 pound of Siberian bristle at \$6 a pound. That is not an average.

Our factory is located at Troy, N. Y. We employ about 250 workmen, and our output is from 12,000 to 15,000 brushes per day. We make hair brushes and cloth brushes exclusively, and the greatest quantity of these are brushes that are bought by the great bulk of the American people at the retail price of 10 cents a piece.

I have here with me two brushes, a hair and a cloth brush, which can probably be found in almost every 5 and 10 cent store in this country, as well as on the shelves of most country merchants, and this particular hair brush was bought at 10 cents in a store here on Seventh street. It was by the most improved machinery and all the labor-saving devices only that we could originate that a brush could be placed in the merchant's hand at 7 cents apiece, to enable him to sell the same over the counter in single pieces at 10 cents.

Now, these brushes are made exclusively of Chinese bristles of 2 inches and $2\frac{1}{4}$ inches in length, although we are occasionally obliged to buy the $2\frac{1}{2}$ -inch lengths when the shorter lengths are not obtainable. I now lay before your committee the actual cost of these brushes.

The CHAIRMAN. If we take the duty off of bristles, how much reduction will you stand on the brushes, which is now 40 per cent?

Mr. ALEXANDER. If you take off the duty on the bristles in this brush [indicating] it will make a difference of from $2\frac{1}{2}$ to 3 cents less a dozen, and that is an item.

The CHAIRMAN. What is your price per dozen?

Mr. ALEXANDER. The price of this particular brush is 7 cents apiece, and the retail merchant retails them at 10 cents. That will show you the margin.

The CHAIRMAN. Well, I think they would still retail at 10 cents if you took off the 3 cents per dozen on the price.

Mr. ALEXANDER. Now, I wish to touch on the question of labor.

It will be found that the cost of the bristles contained in the hair-brush amounts to 16 cents a dozen, and the cost of the bristles contained in the cloth brush amounts to 18 cents a dozen. For these bristles we are taxed 40 and 45 per cent at the port of entry here, inasmuch as the Hamburg or London price for these two lengths is 17 and 18 cents per pound. Now, manufacturers must protect their operating expenses, and they are certainly entitled to a legitimate profit on their investment or they can not continue to exist. The next two items are, of course, material and labor, and the more the manufacturer has to pay for the cost of his material the smaller is the balance left to apply to the cost of labor.

Now, gentlemen, I do not appear here purely as a pleader for the laboring man. I have a considerable amount of investment to pro-

fect, and I have to see to it that this investment yields fair and remunerative returns, but I do not hesitate at all in making the positive statement that whatever additional cost, through the imposition of an import tariff, is placed upon raw material comes directly out of the pockets of the laborer.

Your manufacturer, as before stated, has to protect himself. He has to make enough out of his product to cover his operating expenses, and these are rigid. He has to make a legitimate profit on his investment or he does not stay in the industrial field. He has to pay a certain price—the lowest that he possibly can—for his material, so that this item is rigid. Hence the only elastic item left to him is the cost of the labor, and the larger the cost of his raw material the smaller is the margin left over for labor.

We must always remember that European, and of late Japanese, competition is fiercely knocking at our door. Commodities that retail at 10, 25, 50 cents and \$1 have a fixed jobbing price. No merchant will pay more than this limit. For instance, you take the 10-cent article that I have here placed before you, and the utmost price that can be obtained from the retailer is 7 cents apiece. For out of the remaining 3-cent profit he has to cover his rental and operating expenses, his living expenses, and whatever may be left as interest on his investment. This 7 cents apiece is equivalent to a price of \$10 per gross.

Now, you deduct \$1 from this sum as profit and take out of the remaining \$9 your operating expenses, which in a well-organized factory are never less than 20 per cent of the cost of the goods, and it leaves just \$7.20 per gross, or 60 cents a dozen, for the actual cost of labor, material, packing and boxing of this brush. The material is represented by 36 cents per dozen. This leaves the margin applicable for labor, which includes the shaping of the raw wood into the proper handle, the inserting of the bristle, the smoothing and sand wheeling of the block, the painting and varnishing, packing and boxing, at 24 cents a dozen, or 2 cents a brush. The moment that the labor on this brush goes beyond the figure here given by me we will be unable to longer make the brush at the present price, and the foreign brush will have the American field to itself.

The CHAIRMAN. Sixty per cent of the cost is material?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. Forty per cent is labor?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. Of that material what profit is in the bristle? That is the greatest cost, isn't it?

Mr. ALEXANDER. One-half. There are 18 cents' worth of bristles in there [indicating] per dozen, and there are 18 cents' worth of other material in there to make this into a brush.

The CHAIRMAN. Then 30 per cent of the cost is bristle. Is that with reference to this particular kind of brush, or will that run through all of your manufacture of brushes?

Mr. ALEXANDER. Oh, no.

The CHAIRMAN. I suppose in the high class of brushes, where you get your higher prices, the bristle is a much larger percentage of cost?

Mr. ALEXANDER. Very much.

The CHAIRMAN. In the higher priced goods, what is the percentage of cost in the bristles to the whole cost, including the labor and other material; it is a good deal higher, isn't it?

Mr. ALEXANDER. A good deal higher.

The CHAIRMAN. Seventy-five per cent?

Mr. ALEXANDER. No; but it will run from 50 to 55 per cent, about.

Mr. LONGWORTH. Are some of these brushes made by prison labor?

Mr. ALEXANDER. Very little in this country. The prison-labor brushes are largely brought in here from abroad, largely from Germany.

Mr. LONGWORTH. Are they this class of brush or inferior?

Mr. ALEXANDER. A very inferior brush; they are usually an inferior brush. The total of imported brushes is \$1,600,000 of the finer brushes.

Mr. RANDELL. You say the cost of the bristle will be about 55 per cent of the value of the brush and material?

Mr. ALEXANDER. Fifty-five per cent of the first cost, before you add the operating expense, your profit, and all that sort of thing.

Mr. RANDELL. You said that the material was 60 per cent and the labor 40 per cent, and that the bristles in the ordinary brush was 50 per cent of the material. That would be 30 per cent. The chairman asked you if in fine brushes there would be a greater percentage in the bristles and you said yes, and you said it would be about 55 per cent. Does that 55 per cent take the place of the 30 per cent?

Mr. ALEXANDER. Yes, sir.

Mr. RANDELL. Is that 55 per cent of the whole cost, or of the material?

The CHAIRMAN. The bristles in the cheaper brushes are so much cheaper that the percentage of cost is smaller, is it not; and in the higher price brushes it is higher? You said that bristles from China were imported at about 20 cents a pound, while from the north of Europe and from Asia they run from a dollar up.

Mr. ALEXANDER. In the bristles in here [indicating], they would cost us 24 cents, and they would not be a cent more labor—

The CHAIRMAN. As to your percentage, the 55 per cent would be 55 per cent of what, the total cost of the brush?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. What percentage of labor is in the brush, where the bristles cost 55 per cent? The high-class bristles you say is 55 per cent; is that the bristles entirely? What is the percentage of labor cost there, and the percentage of the other material?

Mr. ALEXANDER. The other material would probably cost about 10 per cent additional, from 10 to 15 per cent. That would be about 30 per cent labor. The labor in this brush [indicating] would not cost 1 cent more with \$3 bristles than 25-cent bristles, so that it is the better bristle that changes the proportion of cost.

Now, here is my point. The bristle contained in a dozen of these brushes amounts to 4 and 7 ounces, respectively. Were the duties on the bristles removed, there would be freed the sum of 2 and 3½ cents per dozen. This particular sum so saved would probably serve two purposes. It would fortify us better against the foreign brush, which is coming in and competing with us, and to which I will later devote one minute of my time, and it will allow a somewhat more liberal remuneration for labor. Two cents and 3½ cents a dozen

may sound little, but when a man will produce 30 dozen of a brush, if we could add 1 cent per dozen to his labor on that 30 dozen, that would mean 30 cents, and it would be an item. That is my reason for asking the removal of the duty on bristles, in order to secure a better class of American workingmen, and pay them a little more. I have not come here to ask an increase of the duty on brushes. My whole argument is based upon the removal of the duty on bristles. It is not a revenue producer to the Government. Your whole revenue derived last year did not amount to \$260,000.

Mr. RANDELL. If this duty is allowed to remain, can you give more to labor than you are giving?

Mr. ALEXANDER. That is my argument.

Mr. RANDELL. Then why did you not do it before?

Mr. ALEXANDER. Before when?

Mr. RANDELL. You say that if this tariff will remain as it is you can give more than you have given to labor. You have had the tariff; why did you not give it?

Mr. ALEXANDER. I think you misunderstood me. I say that if the tariff on bristles is removed, it may sound little when we talk of 2 cents a dozen and 3½ cents a dozen, but it does not sound little to the workingman, for it may mean an increase of 25 cents a day to him, and that is something, especially in the towns where the brush industry is all there is there.

As for the possibility of exporting our goods, it stands to reason that we have no possible chance of competing with foreign brush makers. These obtain their supply of low-priced bristles free from an imposition of a 40 to 45 per cent duty. They are thereby enabled to undersell us wherever we have made the attempt to market our brush, whether in Australia, South Africa, South America, or in England.

How close this competition is I desire to illustrate by a brush given us by an importer. This brush [indicating] he brings into this country, with 40 per cent duty paid, at 12 cents each, the brush being sold in Europe at 8½ cents. With this brush [indicating] we can not compete. The brush contains 2 pounds of bristles per dozen, and on this 2 pounds of bristles we have to pay 15 cents duty before we can make it into a brush.

The CHAIRMAN. This is a pretty fair bristle in this brush, is it not [referring to a brush that has been handed him by the witness]?

Mr. ALEXANDER. You do not make any difference between the poor and the good bristles. They are all alike. That is not anything that we can avoid or help.

Remove this duty on bristles and I for one will feel better fortified to compete against any foreign maker who competes with us on the low-priced brushes with which we now dominate the domestic market, as long as the present duty on brushes is maintained.

I have confined my remarks purposely to the goods in which I am personally interested and with which I am most familiar. These come nearest to the great bulk of the people as long as they can buy a practical and serviceable brush for the low price of 10 cents.

**SUPPLEMENTAL BRIEF OF THE WILLIAM WILKENS COMPANY,
OF BALTIMORE, MD., ASKING FOR THE RETENTION OF THE
DUTY ON BRISTLES.**

BALTIMORE, MD., *December 10, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Since filing the original brief in this case a number of briefs have been filed in the interests of the brush manufacturers, and the bristle subject was called up at such a late hour on the day set apart for it that there was no opportunity on the part of the bristle manufacturer to state his views before the committee.

Briefs on behalf of the brush manufacturers seem to be based upon the theory, as stated in the brief of Col. Albert Clark, of Boston, that—

This duty could be abolished and all bristles put on free list without doing injury to any industry in the United States and to the advantage of brush manufacturers here.

The brief of the Florence Manufacturing Company says:

We also ask that the duty of $7\frac{1}{2}$ cents per pound upon bristles be removed, and that bristles be entered free of duty, in order that we may thereby be placed on a fairer basis in comparison with Asiatic and European countries, as practically no bristles used in the manufacture of hairbrushes, and no bristles used in the manufacture of toothbrushes, are produced in America.

The brief of A. L. Sonn Brush Company says:

Bristles are not a product of the United States, and therefore would not affect the producer in this country, but would be a great help to the manufacturers in the United States * * *.

The brief of the Grand Rapids Brush Company says:

The duty of $7\frac{1}{2}$ cents per pound on bristles, we believe, can be largely reduced, or entirely taken off, because at the present time the production of bristles in the United States is very small, and it is not an industry that will grow, but is bound to become obsolete, whether protected or not, because of the conditions that exist relative to the slaughtering of hogs, etc., while they are still young.

The brief of A. & E. Burton Company says:

The duty is now $7\frac{1}{2}$ cents per pound, as there are practically no bristles raised in this country at this time. As hogs naturally lose their bristles when domesticated, we think all bristles, sorted, bunched, or prepared, should come in free.

Statements of this kind are somewhat astonishing in view of the fact that several of the parties who make them are large customers of the William Wilkens Company, and buy a large quantity of bristles every year from them, and that they must have known when they made these statements that there are bristle factories in Philadelphia, Cincinnati, Providence, Chicago, and in Baltimore, in addition to the present petitioner, who alone manufactures from 250,000 to 300,000 pounds of bristles per annum; and while it is true that these industries have not made fortunes and are gradually closing up, it is simply because of the want of proper protection against imported manufactured bristles from the East.

Under the Wilson bill, the tariff was 15 cents per pound. This was reduced, under the Dingley bill, to $7\frac{1}{2}$ cents a pound. And, as we have shown, this reduction has been a severe blow to this manufacturing industry. And now, finally, the brush manufacturers ask

that this duty of 7½ cents per pound should be taken off entirely, and the imported bristles, principally from China, should be put in direct competition with the bristles manufactured in this country.

And while these brush manufacturers are demanding that the duty shall be taken off of the foreign bristle, and the American laborer and manufacturer of brushes be thereby benefited and protected against what they call the "Yellow Peril," they are at the same time asking that duty on imported brushes be increased in order that their industry should be protected against this same "Yellow Peril." It would seem that they are perfectly willing to sacrifice one branch of manufacturing industry on the same grounds and for the same reasons that they demand protection for another branch of a manufacturing industry. The want of equity in this position is so apparent that it needs no further argument, and the bristle manufacturers are perfectly willing to submit their case on the appeal made by these brush manufacturers for the protection of their own industry against the cheap foreign laborer.

It would be impossible for the Wilkens company to continue to manufacture these bristles at the present time were it not for the fact that they have invented and patented machinery in their own shops, which make it possible to compete against cheap Chinese labor. Incredible as it may seem, they have invented and patented and have in daily use machines that sort lengths of hair, picking short hair from long hair, and which avoids one of the most laborious and tedious phases of the business when done by manual labor.

If the committee should think, however, that the duty should be taken off of these manufactured bristles, it is then respectfully submitted that the duty should be retained on what is known as "short bristles"—that is, upon all bristles under 4½ inches in length. Bristles longer than 4½ inches are not manufactured to any extent in this country. It is true, as stated in several briefs of the brush makers, that hogs are killed young in this country, and nearly all hogs from which bristles are taken here are domesticated, and hence inferior in length to the imported bristle, where hogs are allowed to mature and where many of them run wild. Bristles longer than 4½ inches are used in quantities by brush makers for paint brushes and brushes which require this longer bristle. And the industry of this petitioner, as well as all bristle manufacturers in this country, would not be materially injured by taking off the duty on bristles over this 4½ inches. This would give the brush makers relief to a certain extent without destroying another sister industry, and destroying it upon the same ground for which they themselves ask protection, and that is that the American laborer should be protected against cheap foreign labor.

The situation as represented by the Wilkens company is ideal from a manufacturing standpoint. They were the first manufacturers of bristles in the United States and have been continuously in that business, as stated in the original brief, for the last sixty-four years. During that time a village has grown up around their factory, occupied to a great extent by their employees—men who were raised in the business—whose fathers were there before them and who know nothing else but the manufacture of bristles, own and live in this village, no strikes, no discord between employer and employee. And while it is easy to talk about the destruction of business if the

tariff is put on or taken off, yet there is no exaggeration in the statement that this establishment can not continue to manufacture bristles if the duty of $7\frac{1}{2}$ cents per pound is taken off, and the ideal situation will be destroyed.

FIELDER C. SLINGLUFF,
Representing the William Wilkens Co., of Baltimore, Md.

**CHAS. WOOD, OF LANSINGBURG, N. Y., COMPARES JAPANESE AND
AMERICAN LABOR COST IN BRUSH INDUSTRY.**

LANSINGBURG, N. Y., *December 19, 1908.*

COMMITTEE WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As to proposed duty on toilet brushes, particulars as to which are set forth in the petition to you from the manufacturers of such here, the fact that the present duty of 40 per cent is now entirely inadequate is conclusively shown by the prices the importers sell them for in this country. A New York importer sold the Japanese nail brush furnished you with the petition to John Ferriss, brush maker, Albany, N. Y., for, as stated, per gross \$10. We don't know cost to importer, but it was necessarily less than \$10. Deduct duty of 40 per cent importer was supposed to have paid, say, \$2.80, leaving price, exclusive of duty, say, \$7.20. If to this was added the 80 per cent duty the petition requested, it would be \$5.66, making cost to importer, say, \$12.86.

Now nobody in this country can furnish the counterpart of such brushes for even less, as stated in petition, than \$17.28 per gross, as its method of construction would be prohibitory in this country, owing to our labor being upward of four times as much as in Japan, our consul at Tokio, Japan, stating average of brush makers' wages in Japan are for males 50 cents per day, while ours average \$2.

Women who do important parts, 15 cents per day in Japan; here upward of \$1.

Children, 5 cents per day in Japan; in New York and some other States children not allowed to work at any price.

Also the duty on kinds of bristles not produced in our country, viz, those above 3 inches long, should be exempt from the $7\frac{1}{2}$ cents per pound duty.

Yours, respectfully,

CHAS. WOOD.

**JOSEPH HORNE CO., PITTSBURG, PA., THINKS AN INCREASE OF
DUTY ON BRUSHES ENTIRELY UNNECESSARY.**

PENN, FIFTH AND CECIL WAY,
Pittsburg, Pa., December 29, 1908.

HON. JOHN DALZEL,
House of Representatives, Washington, D. C.

DEAR SIR: We are informed that an effort is being made by certain American makers of brushes to induce the Committee on Ways and Means to advance the rate of duty on brushes to 80 per cent from the present rate of 40 per cent.

It is our opinion that such action is entirely unnecessary and calculated to work injury to the retail brush business, and also to reduce the revenue and increase the cost of necessary articles to the consumer, apparently to the benefit of only a few domestic manufacturers. We believe that the present duty of 40 per cent affords domestic manufacturers all the protection, if not more, than they are entitled to, and should any change be made, it seems that a decrease instead of an increase in the present rate would be more satisfactory.

We would respectfully ask that you give this matter proper consideration before any such increase of the present rate of duty should be made.

Thanking you in advance for anything you may be able to do, we beg to remain,

Yours, very truly,

JOSEPH HORNE Co.,
Dry Goods.

HON. JULIUS KAHN, M. C., SUBMITS LETTER OF THE OWL DRUG COMPANY, SAN FRANCISCO, CAL., RELATIVE TO BRUSHES.

611-13-15 MISSION STREET,
San Francisco, December 31, 1908.

HON. JULIUS KAHN, M. C.,
Washington, D. C.

DEAR SIR: It has been called to our attention that a considerable number of American manufacturers of brushes are making application to the Ways and Means Committee of the House at Washington for a big increase in the tariff on brushes.

For many years the duty on this item was from 20 to 30 per cent, and at the time the Dingley bill was passed it was 40 per cent, and has remained at that figure ever since.

We believe it would be a great injustice to the trade to have this increased, and it would certainly reduce the revenues of the Government.

The manufacture of many lines of brushes has been attempted in America during the last twenty-five years, but has always been a failure, and a duty of 40 per cent is surely enough protection.

We trust you will see your way clear to use your efforts to have the duty remain as it now stands.

Yours, very truly,

THE OWL DRUG CO. (INCORPORATED).
Per R. E. MILLER, *Secretary.*

THE W. J. GILMORE DRUG COMPANY, OF PITTSBURG, PA., THINKS DUTY ON BRUSHES SHOULD BE REDUCED.

426, 428, and 430 SEVENTH AVENUE,
Pittsburg, December 31, 1908.

HON. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR: It has come to our notice that a few domestic brush manufacturers have asked for an advance from 40 to 80 per cent on imported brushes.

We would like to take the liberty of calling to your attention the fact that from 96 to 98 per cent of the brushes used in this country are imported brushes, and we think if any change is made at all in the duty it should be reduced instead of increased.

We, as large users of brushes of all kinds, are placed in a position to give a fair opinion on this matter and hope it will meet with your careful consideration.

Yours, very truly,

W. J. GILMORE DRUG CO.,
Per J. B. McCORMICK,
Manager Sundries Department.

**THE GEORGE A. KELLY COMPANY, PITTSBURG, PA., OBJECTS TO
ANY INCREASE OF DUTY ON BRUSHES**

421, 423, 425, AND 427 SEVENTH AVENUE,
Pittsburg, Pa., December 31, 1908.

HON. JOHN DALZELL,
House of Representatives, Washington, D. C.

DEAR SIR: Referring to applications before the Ways and Means Committee on the part of certain domestic manufacturers for an advance in the rate of duty on brushes from the present rate of 40 to 80 per cent, it is our honest conviction that the present rate affords ample protection to the domestic manufacturers. Any increase in the rate would result in increased cost to the consumer and would tend to reduce the revenue on this class of products.

Improved machinery and methods have greatly reduced the cost of domestic production since the fixing of the present rate in the McKinley bill, and the change, if any, should be a decrease.

Very respectfully,

GEORGE A. KELLY COMPANY,
GEORGE A. KELLY, Sr., *President,*
Wholesale Druggists.

**C. W. SNOW & CO., OF SYRACUSE, N. Y., THINK THAT THE DUTY
ON BRUSHES SHOULD BE REDUCED.**

214-216 WARREN STREET,
Syracuse, N. Y., January 4, 1909.

S. E. PAYNE,
Chairman Ways and Means Committee,
Auburn, N. Y.

DEAR SIR: We are advised that various domestic manufacturers of tooth, nail, and hair brushes have asked for an increase on the present duty of 40 per cent. We can not believe that this is necessary; in fact, we should think that a reduction to 25 per cent would be more proper, and we trust that your committee will get all the facts in the case, which we feel sure do not warrant an increase in the present duty.

Yours, very truly,

C. W. SNOW & Co.

WALKER & GIBSON, ALBANY, N. Y., THINK THAT THE DUTY ON BRUSHES SHOULD NOT BE INCREASED.

ALBANY, N. Y., *January 6, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We are very much opposed to an advance in the tariff on brushes. Any change of this kind would be a great hardship to the people who use these goods, as the price would be advanced, and we believe there would be a general complaint from the public if any such thing should occur. Besides this, it would probably result in a decrease in the duty collected, as it would more than likely prohibit importations of these goods to a large extent. We hope that you will not allow anything of the kind to occur.

Yours, very truly,

CHARLES GIBSON,
President.
WALKER & GIBSON,
Wholesale Druggists.

W. WICKHAM SMITH, FOR IMPORTERS OF BRUSHES, PROTESTS AGAINST ANY INCREASE IN DUTIES.

32 BROADWAY,
New York City, February 2, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, importers of brushes, provided for in the present tariff act, paragraph 410, at a duty of 40 per cent ad valorem, respectfully protest against any increase in the duty of this class of merchandise, as urged by domestic manufacturers thereof.

Brushes (which term includes hair brushes, hand brushes, tooth brushes, nail brushes, hat brushes, clothes brushes, paint and varnish brushes, etc.) are articles of prime necessity, all in general use and many of them in practically universal use. The consumer is vitally interested in the tax on this class of merchandise, and although it has been suggested by one of the manufacturers (Miles Brothers & Co., of New York), that "if our people want foreign brushes let them pay a good round figure for them, say, a duty of 60 per cent or more. In the meantime the American makers will be forging ahead, competing and chewing one another up, etc." we take it that neither this committee nor Congress will be disposed to take this view of the situation.

A number of domestic manufacturers of brushes have filed briefs or statements with the committee urging an increase in duty. The importers have not yet been heard from, for they had naturally supposed that the present duty of 40 per cent (which was considered adequate by the terms of both the McKinley and Dingley tariffs) was so high that it could not be expected that any application would be made to have it increased. No what they find that applications have been made to increase the duty to 50 or 60 per cent (some manufacturers have said that it ought to be 80 per cent), they deem it proper to call the attention of the committee to some points which may assist it in its deliberations.

There is a singular resemblance between the statements of these various manufacturers, not only in what they say, but in what they omit to say. They nearly all enlarge on the perils that threaten their industry by competition with the products of low-priced labor in foreign countries. Nearly every one of them gives statistics, year by year from 1890 to 1907, on the importations from Japan. Several of them even use the same figures of speech, as, for example, that they see "a menacing cloud on the horizon" and that they want to be saved from the "yellow peril."

But their unanimity in silence is far more eloquent and significant than their unanimity in speech. You will search their statements in vain for any information as to the amount of output of their factories or the percentage which the importations bear to the whole volume of brushes sold and consumed in this country. Many of these domestic manufacturers are incorporated companies, but you will not find in their statements any information as to the dividends they are paying on their stock. They make all kinds of positive assertions as to the wages paid for labor in the brush-making industry in foreign countries, but the only authority they cite for any of their statements in this respect is a report of one United States consul. Their briefs are full of statements of fact for which no authority whatever is cited, and of predictions of the ruin of their industry, which, as it will hereafter be shown, is nevertheless a very thriving and prosperous one.

The one point on which they all agree is that importations from Japan have increased, and that they must have increased protection. The fact that must strike the committee as it has struck us is that if their statements of fact about Japanese goods could be accepted as correct it would be impossible to understand why the Japanese had not already secured entire control of the American market, and how it is possible not only for American manufacturers to sell any brushes in competition with Japanese brushes, but how it happens that England, France, and Germany are able to send any brushes here, pay 40 per cent duty on them, and still compete with the Japanese.

Take, for example, the statement of Walter D. Foss, representing the Wooster Brush Works, of Wooster, Ohio. He submits two brushes, one Japanese and the other American. He gives a total cost per gross of \$3.84 for the American brush and \$1.79 for the Japanese. These figures are far from correct. Without undertaking to point out their inaccuracy in all respects we may call attention to one. He states that $1\frac{1}{2}$ pounds of bristles is necessary to make a gross of these brushes, and that the cost of these bristles in the United States is 64 cents and in Japan 33 cents, while the fact is that in Japan the bristles cost exactly the same as the bristles here, except that they do not have to pay the $7\frac{1}{2}$ cents a pound duty which is charged here and cost somewhat less for freight. The entire difference would be less than 10 cents per pound in favor of the bristles in Japan, and if the American landed cost is 64 cents, as stated by these manufacturers, it would make the cost in Japan 54 cents per pound instead of 33 cents, as stated by Mr. Foss; a difference of over 60 per cent between his statement of cost of bristles and of the facts. If his other figures are as inaccurate as these, comment is unnecessary.

Another manufacturer, the Grand Rapids Brush Company, states (without pretending to give any authority) the average wages in different countries where brushes used in the United States are made.

Labor in Japan, according to the incorrect statement of these manufacturers, is one-third of what it is in Germany, one-fourth of what it is in France, 23 per cent of what it is in England, and but little less than one-seventh of what it is in the United States. The problem is not only how does the business in the United States continue to exist, but how are the European countries named enabled to send their goods here, pay 40 per cent duty, and sell them in competition with Japanese goods? There may be some explanation for this phenomenon, but if there be, it is certain that no one of these manufacturers has given it.

Moreover, if it be true that the Japanese now have 25 per cent of the American market for brushes, and will soon, as these foreboders of disaster insist, have it all, how does it happen that the Brush Makers International Union in the petition they sent to the committee say: "We petition your honorable body to continue the duty on brushes as it stands to-day."

Proceeding now to examine in detail the various contentions of these domestic manufacturers, we submit the following:

First. They state that the importations for the year 1907 were upward of \$1,600,000. They do not state the value of the importations from different countries, but we have obtained these figures, and they are as follows:

France	\$721, 989
United Kingdom	194, 250
Germany	240, 422
Japan	401, 639

If Japan has such enormous advantages as they state, and if it is a "menacing cloud on the horizon," how is it that the importations from that country are less than 60 per cent of the importations from France, and less than the importations from Great Britain and Germany combined? As all these importations have to pay the same rate of duty at the custom-house, if labor exceeds 50 or 60 per cent of the cost of production, as these manufacturers claim, and the cost of labor in Japan is so insignificant as that compared with European countries, how is it that these European countries are able to send to us over \$1,000,000 worth as compared with \$401,000 sent from Japan.

Again, take their own figures as to exports. They say that the exports from the United States during the year 1907 were upward of \$400,000 worth of brushes. If they are under such tremendous disadvantages as they say they are under, so that their industry is threatened with extinction, how can they send out \$400,000 worth of brushes a year (equal to the total amount of brushes imported annually from Japan) to compete with the brushes of France, Germany, Great Britain, and Japan in the other markets of the world where there is no 40 per cent duty to protect them.

From the Blue Book issued by the Dominion of Canada for the year ending March 1, 1908, part 2, page 26 (see Exhibit 5), it will be seen that the importation of brushes into Canada for that year from various other countries was as follows:

United States	\$153, 110
France	107, 503
Great Britain	51, 599
Japan	32, 231
Germany	26, 930

From these figures it will be seen that the United States is able to manufacture and export to this one foreign country nearly 50 per cent more brushes than are imported there from any other country, and five times as many brushes as Canada imports from Japan. We send to Canada more brushes than are imported there from France and Japan together. How is it that the "yellow peril," the "speck on the horizon" that threatens the brush industry in this country, cuts so small a figure in Canada.

All foreign brushes that come into Canada pay the same rate of duty except those from Great Britain (which enjoys a preferential rate of one-eighth reduction on the rate of duty levied upon the goods from other places). Yet, with this preferential rate, Great Britain is only able to send to Canada one-third as many brushes as are exported into that country by the United States.

Second. The domestic manufacturers make a great point of the enormous increase of brush imports from Japan in seventeen years, but during the last fifteen years the exports from the United States to Japan have increased \$3,000,000 to \$38,000,000. They have been nearly doubled in the last five years. We can not expect to maintain this great export trade with a growing country and not have them ship their goods to us. We can not make any discriminating duty against the Japanese, and the same argument that applies to brushes may be applied to dozens of other things. The fact that the Japanese are sending us more of their product in a few lines of goods does not justify the imposition of heavier taxes upon all our people for the benefit of a few manufacturers.

Third. Apprehended destruction of American brush industry. The manufacturers allude very vaguely to some concerns which have been obliged to go out of business. No facts or specifications have been furnished. As a matter of fact, there is no line of business in which some concerns are not driven out by the energy and skill of competitors, both foreign and domestic.

The general business of the American manufacturers has been steadily increasing. By their progressiveness and large capital the leading firms have made it difficult for the small maker here to exist and compete with them. Several makers of this class have gone out of business for this reason and not by reason of competition with foreign goods.

The manufacturers have furnished no figures as to their business or capitalization, and, of course, importers are not in a position to learn or state the exact figures. But it may be proper to note here that Bradstreet's Commercial Agency, which it is well known gives very conservative statements of the capital of the houses registered in its credit book, furnishes the following credit standing of some of the parties who have filed these petitions with the committee:

Grand Rapids Brush Company-----	\$150,000
Ames-Bonner Company-----	200,000
Florence Manufacturing Company-----	300,000
John L. Whiting Company-----	1,000,000
Wooster Brush Company-----	150,000
J. J. Adams Company-----	200,000

In the absence of any evidence it can hardly be supposed that concerns with such ratings as these are in any danger of going out of business because it is unprofitable.

Fourth. Wages and cost of production. The applicants for increased duty make all sorts of conflicting and inconsistent statements as to wages, not only in this country, but in other countries. The former are clearly within their knowledge, but none of them have testified to them under oath or furnished any sworn statement concerning them. The latter they can have no knowledge of but hearsay, and the only authority they furnish is the report of one American consul. We insist that their statements as to wages are incorrect and misleading, and we respectfully submit that their statements on this subject should be disregarded unless they furnish some proof concerning them. Moreover, it should be borne in mind that if the American workman secures a higher wage it comes largely from the fact that he has greater skill and turns out proportionately a larger amount of goods.

Fifth. Comparison of brushes. The manufacturers make a great point about a brush made in Japan competing with one made by them. We are credibly informed and allege the fact to be that this so-called "Japanese" brush is simply a copy of an American brush ordered to be made by one of these petitioners for the purposes of this case, and one not regularly manufactured or for sale by any one.

Sixth. Export and home consumption prices of American-made brushes. One of the largest and most important manufacturing concerns in this country is exporting to Canada a brush which is also sold in this country, and selling it for a much lower price for export than it charges here. We refer to Exhibits 1, 2, 3, and 4 forwarded herewith. Exhibits 1 and 3 are toothbrushes sold here for \$23.25 per gross. Exhibits 2 and 4 are corresponding articles sold to Canada for \$16.50 per gross. If they can export their goods to Canada and find a profitable market for them in competing with British brushes which have a preferential tariff rate, how can they say that they are not able to compete in the markets of the United States with English brushes which have to pay an import duty of 40 per cent.

Seventh. The strength of the demand for tariff increase. There is a large number of manufacturers of brushes in the United States. Only a few of these are demanding an increase of duty. There are others who will be heard from by the committee resisting any increase in the duty. Some of them are very much opposed to it. There is a very large number of jobbers and dealers in brushes in the United States handling both domestic and foreign brushes, and we have yet to hear of any of these who are advocating an increase in the tariff. There remain the consumers, who are practically the whole American people, and we do not suppose it will be suggested that any of them want an increase of the tariff and corresponding increase of their burdens.

Eighth. Proposed prohibitive duties. There are many brushes now made in the United States which can not be imported at all under the existing rate of duty. If any such increase as is now proposed should be made, still further classes of brushes would be excluded from importation. The powerful manufacturers now engaged

in this business are seeking to bar out the foreign articles, so as to enable them to make prices to suit themselves. Congress should not aid them in this effort.

We submit as Exhibit 6 a number of American brushes of various kinds and uses, sold at prices which place them within the reach of the masses, and which are used in enormous quantities in the United States, and we assure your honorable committee that these goods are manufactured and sold so cheaply here that not only can they not be imported under the proposed increased duty or under the existing rate of duty of 40 per cent, but that they can not be imported and compete with the American article if they were exempt from duty altogether.

We have no hesitation in asserting (with entire confidence that our statements will be corroborated by merchants, dealers, and parties interested, except the few domestic manufacturers who are seeking to swell their own profits) that 40 per cent is the maximum rate that can be levied upon brushes without greatly reducing the revenues to be collected upon them. Any increase above that rate will prohibit the importation of many classes of brushes now imported and will greatly decrease the importation of others and thus reduce the revenues.

Ninth. Celluloid brushes. We are advised that an attempt is to be made to except celluloid brushes from the brush paragraph and subject them to duty under the paragraph, for instance, now No. 17 for celluloid. Against this we must strongly protest. The present duty on celluloid articles is 65 cents a pound and 25 per cent ad valorem. This would be an enormous increase in the rate of duty, and, moreover, would give rise to perpetual controversy as to whether or not celluloid was the component material of chief value.

For very many years tariff acts have provided for brushes of all kinds in explicit terms. The clearness, simplicity, and comprehensiveness of this enumeration have prevented any dispute as to the classification of brushes, and has made it perfectly simple for both importers and customs officers to apply the law. Any change which would provide different rates of duty for different kinds of brushes would tend to confusion, disputes, protests, litigation, and, we submit, would be unwise and mischievous.

Tenth. As the manufacturers are not only asking for an increase in the duty on brushes, but are generally asking for the removal of the duty on bristles, the raw material used for making brushes, it may be instructive to consider the following figures taken from official sources:

In the year 1894 the importation of bristles into the United States was \$639,000, and in 1907, \$3,250,000, equivalent to an increase of 500 per cent.

The importation of brushes in the year 1894 was \$516,000, and in 1907, \$1,586,000, equivalent to an increase of 300 per cent.

As all bristles are used only in the manufacture of brushes, these figures are eloquent as to the increase of the domestic manufacturers as against that of the importers during this period of thirteen years. The exportations of brushes in 1894 were \$179,000, and in 1907,

\$415,000, so that the exportations in 1907 were two and one-half times more than in 1894.

These figures show the extent to which the domestic business has increased as against the importing business, and, we submit, a strong argument for a reduction rather than an increase in the rate of duty.

Eleventh. It has been already pointed out in this brief that the manufacturers who have had so much information to furnish about the price of foreign labor and other things about which they can apparently have no accurate knowledge and for which they furnish no authorities, have sedulously concealed from the committee all facts as to the volume of their business and of the percentage of the American market for brushes which they control as against the percentage of importations. We are, of course, in no position to ascertain the precise facts which they conceal, but we are in a position to form some estimate of the total value of the brushes manufactured in the United States, and on that subject we beg to submit the following:

By official statistics the total importation of bristles in the year 1907 into the United States was \$3,433,941. All bristles are used for brushes and for no other purpose. The average cost of bristles entering into the average amount of brushes is 25 per cent, the other 75 per cent being the cost for labor, 60 per cent, and 15 per cent for other materials, such as handles, wire, and boxes for packing (see Grand Rapids Brush Company's statement.) As the cost of bristles is 25 per cent of the price of the brush, the value of the brushes made here from imported bristles would be \$13,026,208. This would be actual net cost, to which, of course, must be added the manufacturer's profit.

As the importation of brushes for the year 1907 was \$1,586,556, this would make the total value of brushes sold in the United States in excess of \$15,000,000. It will thus be seen that the domestic manufacturers have about 90 per cent and the importers about 10 per cent of the American market, and yet these manufacturers who now have about 90 per cent of the business in brushes want to increase the duty to a point which will be largely prohibitory to importation and consequently give them a monopoly of the American market, with resulting opportunity to charge as high prices as they please.

Twelfth. It is reiterated over and over again by the American manufacturers that the improved machinery used in this country for the manufacture of brushes is also used in other countries from which brushes are imported here, including Japan. This statement we submit is without foundation. The greatest labor-saving device and the machine that makes the cheapest brushes in the world is used for brushes known as "cement-made brushes." The importers would be in position to know if this machinery was in use in any other country in the world, and they state that they never knew of it being used in any other country than this. Another labor-saving machine is one that forces the bristles into the brushes in one operation, eliminating hand labor. There are few brushes imported into this country made in this way, and none from Japan.

In conclusion we submit that on the facts and arguments above set forth there is no ground whatever to justify an increase in the duty upon these articles. On the other hand, we submit that a very strong case has been made out for the reduction of the duty, which will increase the volume of importations, add to the revenue of the Government, and place articles of universal necessity within the reach of the people at a cheaper price, and we therefore respectfully urge that the language of the provision for brushes be retained in the form in which it is used in the present and has been used in prior acts, and that the rate of duty be fixed at 30 per cent. which was the rate fixed in the tariff act of March 3, 1883, after a thorough investigation of the subject by a tariff commission created by a Republican Congress.

Dated January 20, 1908.

W. WICKHAM SMITH,
*Counsel for Leading Importers
and of Dealers in Brushes.*

BRUSH FIBERS.

[Section 6.]

COL. ALBERT CLARKE, BOSTON, FILES LETTER OF A. C. WHITING,
BURLINGTON, VT., RELATIVE TO BRUSH FIBERS.

BURLINGTON, VT., *November 24, 1908.*

Col. ALBERT CLARKE,
Washington, D. C.

MY DEAR MR. CLARKE:

* * * * *

The competition among the manufacturers themselves is very severe, but above that there are a great many foreign brushes brought in and duty paid owing to the cheap labor of Europe. The Japanese, particularly, are sending in a great many, especially toilet brushes, on which the labor is a large percentage of the cost. But this importation of brushes is not confined to this class of brushes entirely, as a large number of very cheap brushes—hand, nail, scrub, etc.—are thrown in on this market. I do not see how it is done, if it is done legitimately and proper duties paid; but the fact remains that the brushes come in here, so that I think the brush makers are really entitled to a larger duty rather than smaller.

* * * * *

Now, coming down to the question of brush fibers, in which my interest centers. Tampico, or istle (or ixtle, as it is sometimes spelled by the Mexicans), should without any question be admitted free in its crude state, as none is produced in this country. But when it is dyed, combed, or dressed, cut up, or partially manufactured in any manner, it should pay a duty. The same rule should apply to the many bass fibers which are imported into this country. We do not think the dressers of brush fiber are properly protected in this re-

spect, as considerable dressed tampico and basses are now brought into this country with only 20 per cent duty. When I had a consultation with the appraisers in New York last week, I found them at work on a lot of dressed tampico, which they were passing at 20 per cent duty. This special importation, I think, came from Hamburg. The German and Belgium manufacturers are continuously sending quotations among the brush trade of this country at from 1 to 2 cents a pound below the prices ruling in this country. And, as stated, considerable dressed tampico and bass, bassine, Palmyra fiber, etc., is sent in here at a lower figure than the American manufacturers, with the high prices we are paying labor, can afford to dress the stock.

* * * * * * *

Another disadvantage which we are working under is that considerable istle is shipped from Mexico on a through bill of lading to Europe, and stopped off in New York. If the Mexican can not get his price in New York, he ships it on to Europe without further cost of freight. So that many times the European manufacturer can buy cheaper for lack of a market than the American manufacturer can, i. e., the further seeking of another European market would cost additional freight to handle.

I have also been told that many times vessels will load in Mexico for European ports at a lower rate of freight than for New York, again giving the European manufacturer the advantage.

When in England two years ago, I found an English dresser of fiber, to whom we several years ago sold a full set of our improved machinery, had been obliged to stop the dressing of brush fiber, owing to the severe competition of Belgium and German manufacturers, who put dressed stock into the English brush factories cheaper than the English manufacturers could do it, so that their machinery in this branch of their factory stood idle and covered with dust; they were doing nothing. This same competition has driven us out of Canada, where we formerly had a very good trade. Further, I found that the English manufacturer was paying his help only about one-half of what we are paying ours.

After considerable effort, by going to the appraisers' stores in New York, I found that tampico was admitted under section 6 (p. 67 of the tariff act you sent me), as an unenumerated article, at a duty of 20 per cent. It struck me in looking over the tariff that it should come under article 347 in schedule J, "all manufactures of flax, hemp, ramie, or other vegetable fibers, 45 per cent ad valorem." This rate at least would succeed much better in keeping out the cheap manufactures of Germany and Belgium. But they told me at the appraisers' stores that it could not be classed under this clause, because it was still tampico; it was not a manufacture of tampico, but still remained tampico.

Now, the trouble is that the dressed tampico, or brush fiber, has never been specifically mentioned in the tariff, I believe. I think it should be, and I think that a duty of 45 per cent would be none too high on tampico, bass, bassine, palmyra fiber, and similar vegetable fibers or mixtures of the same (when they have passed in manufacture beyond the crude state) to protect the American manufacturer; and it would work no injustice to any American, because the competition among American manufacturers in this country is so strong

that the prices are kept down to the bottom notch, commensurate with the high price we are paying labor to-day.

* * * * *

Yours, truly,

E. B. & A. C. WHITING,
By A. C. WHITING.

P. S.—The foreign manufacturers generally quote 8 to 10 cents for dressed tampico, while the American market is 12 to 14 cents, so that with the duty on they are in the neighborhood of 2 cents below us.

—

SUPPLEMENTAL STATEMENT BY E. B. & A. C. WHITING, BURLINGTON, VT., RELATIVE TO FOREIGN BRUSH FIBER STOCK.

WASHINGTON, D. C., *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN. Inclosed is a letter from E. B. & A. C. Whiting concerning brush stock, which contains information in addition to the statement which I presented at the hearing, together with a circular from Belgium indicating the competition which they receive from abroad. Mr. Whiting is entirely trustworthy, and I fully indorse his statements.

Very truly, yours,

ALBERT CLARKE.

—

BURLINGTON, VT., *December 1, 1908.*

Col. ALBERT CLARKE, *Washington, D. C.*

DEAR MR. CLARKE: I am glad to get yours of November 30. I appreciate that you have been busy, but as you wrote in a former letter of giving me pointers for a brief, and I did not hear anything from you, I was afraid you might have been taken sick and that the matter would go by default. Am glad to hear that you were in the harness, and fully realize that you must be pretty busy there during these hearings. I have not been able to find anything in the papers in regard to the action of the committee Saturday, at which time I inferred matters of interest, particularly to us, would be taken up, and I am glad to get your letter giving the information it does.

I am glad also to learn that there is a prospect of the brush makers getting relief by an increase of 10 per cent—from 40 to 50 per cent—duty. They need it.

Now, in regard to tampico, etc. The wording you give, "Tampico, dressed, assorted, colored, ready for the brush maker," would hardly cover the ground properly, as stock could be sent in partially manufactured, not ready for the brush. I have been looking over some foreign correspondence, and I herewith inclose a circular from H. Lecluyse, of Antwerp, dated the 31st of May, 1907, which will give you something of an idea of what we have to contend with. You will note that he does not quote bassine or Palmyra fiber, or Mexican fiber, raw. Probably he is not able to handle them in the crude

state, to meet the American market. But, going further on in his circular, you will see that he has Mexican fiber (that is, tampico in its different grades) and unions of tampico, bassine, etc., and the different bases all quoted. You will also note that his prices are per hundredweight (112 pounds), delivered c. i. f. American seaport. They are offering these goods lower now even than then, but they do not send us circulars, as they have got on to the fact that we are competitors. So we only see these circulars once in a while through some of our brush-maker friends. Perhaps this circular may give the committee a better idea that dressed tampico is a manufactured article. There are infinite varieties and grades of it.

As shown in my former letter, these German and Belgium manufacturers, with their cheap labor, are putting these dressed stocks into this country more and more. Especially during the last year or two, when we have paid our labor more, has this trade grown, to our detriment. All of these mixtures of Mexican fiber and unions of tampico, bassine, etc., come into competition with us. We used to be able to get down somewhere near their prices, but since the advance in the cost of labor during the last two or three years we have found ourselves unable to compete with these people. The brush makers are getting more and more into the way of importing.

Now, as stated in my previous letter, I think these fibers should be enumerated, and I would suggest the following as covering the ground best: Istle, ixtle, tampico or Mexican fibers, bass, bassine, palmyra, and similar vegetable fibers, when they have been dyed, combed, cut up, mixed, or dressed in any manner, 45 per cent ad valorem.

Istle, ixtle, tampico or Mexican fiber are different names for practically one kind of fiber. Bass, bassine, palmyra, etc., are different names for another class of fiber, both used largely in brush manufacturing. There are a good many different kinds of basses used in the manufacture of brushes.

I should want this clause to cover pretty strongly the vegetable fibers which are prepared in any way beyond the crude state, because, as stated in a previous letter, of the danger of the Mexicans with their cheap labor putting this stock up more or less dressed.

Now, as to the percentage of duty. While formerly there was a good margin in the dressing of tampico, of late years the competition in this country has been so strong that it has been pretty close figuring, so that the price has kept down to a very narrow margin. The trade is limited. Several have tried it (dressing tampico) and failed, so that there are now only three or four manufacturers of vegetable fiber for the brush trade left in the business, and the only way we can get anything out of it is to do a big volume of business. Now, if our trade is cut into by foreign importations, we lose so much from the volume of business, which is a serious loss to us; and for this reason, for the good of our help as well as ourselves, we would like to see the duty as large as we can have it. We do not think 45 per cent is excessive, but if we can not get over 35 per cent we will have to take that, and it may be that it is best not to ask for over 35 per cent. You can better judge of the situation than we can, and I leave it with you. Simply get all you can, for we need it. Between the prison labor in our own country and the cheap and prison labor of Germany and Belgium we find the sledding very hard.

I hope you will do the best you can, and that your efforts will be crowned with success.

Thanking you in advance for your interest and kindness, I remain,
Very truly, yours,

E. B. & A. C. WHITING,
By A. C. WHITING.

ANTWERP, *May 31, 1907.*

Messrs. E. B. & A. C. WHITING,
Burlington.

DEAR SIRs: I have the favor to offer you to-day:

Bristle fiber, ordinary quality-----	\$4. 50
Scraps (split bamboo):	
Natural-----	4. 00
Dyed (brown color)-----	4. 50
Mexican fibers, dressed:	
Jaumave, combed in pigtails—	
White-----	9. 00
Black-----	10. 00
Gray-----	10. 50
Jaumave, single drafted—	
White-----	9. 50
Black-----	10. 50
Gray-----	11. 00
Jaumave, double drafted—	
White-----	10. 00
Black-----	11. 00
Gray-----	11. 50
Tampico, combed in pigtails—	
White-----	8. 25
Black-----	9. 25
Gray-----	9. 75
Tampico, single drafted—	
White-----	8. 75
Black-----	9. 75
Gray-----	10. 25
Tampico, double drafted—	
White-----	9. 25
Black-----	10. 25
Gray-----	10. 75
Palma, combed in pigtails—	
White-----	8. 50
Black-----	9. 50
Gray-----	10. 50
Patent fiber (glossfiber):	
Black-----	} 20. 00
Gray-----	
Unions, tampico and bassine:	
Tampico white and 10 per cent bassine, undyed, combed in pigtails.....	} 8. 75
Tampico white and 20 per cent bassine, undyed, combed in pigtails.....	
Tampico white and 30 per cent bassine, undyed, combed in pigtails.....	
Tampico white and 40 per cent bassine, undyed, combed in pigtails.....	
Tampico white and 50 per cent bassine, undyed, combed in pigtails.....	} 9. 25
Tampico white and 10 per cent bassine, undyed, single drafted.....	
Tampico white and 20 per cent bassine, undyed, single drafted.....	
Tampico white and 30 per cent bassine, undyed, single drafted.....	
Tampico white and 40 per cent bassine, undyed, single drafted.....	
Tampico white and 50 per cent bassine, undyed, single drafted.....	} 9. 75
Tampico white and 10 per cent bassine, undyed, double drafted.....	
Tampico white and 20 per cent bassine, undyed, double drafted.....	
Tampico white and 30 per cent bassine, undyed, double drafted.....	
Tampico white and 40 per cent bassine, undyed, double drafted.....	
Tampico white and 50 per cent bassine, undyed, double drafted.....	

Unions, tampico and bassine—Continued.

Tampico white and 10 per cent bassine, dyed black, combed in pigtails	\$9.00
Tampico white and 20 per cent bassine, dyed black, combed in pigtails	
Tampico white and 30 per cent bassine, dyed black, combed in pigtails	
Tampico white and 40 per cent bassine, dyed black, combed in pigtails	
Tampico white and 50 per cent bassine, dyed black, combed in pigtails	9.50
Tampico white and 10 per cent bassine, dyed black, single drafted	
Tampico white and 20 per cent bassine, dyed black, single drafted	
Tampico white and 30 per cent bassine, dyed black, single drafted	
Tampico white and 40 per cent bassine, dyed black, single drafted	
Tampico white and 50 per cent bassine, dyed black, double drafted	10.00
Tampico white and 10 per cent bassine, dyed black, double drafted	
Tampico white and 20 per cent bassine, dyed black, double drafted	
Tampico white and 30 per cent bassine, dyed black, double drafted	
Tampico white and 40 per cent bassine, dyed black, double drafted	
Tampico white and 50 per cent bassine, dyed black, double drafted	9.75
Tampico gray and 10 per cent bassine, undyed, combed in pigtails	
Tampico gray and 20 per cent bassine, undyed, combed in pigtails	
Tampico gray and 30 per cent bassine, undyed, combed in pigtails	
Tampico gray and 40 per cent bassine, undyed, combed in pigtails	
Tampico gray and 50 per cent bassine, undyed, combed in pigtails	10.25
Tampico gray and 10 per cent bassine, undyed, single drafted	
Tampico gray and 20 per cent bassine, undyed, single drafted	
Tampico gray and 30 per cent bassine, undyed, single drafted	
Tampico gray and 40 per cent bassine, undyed, single drafted	
Tampico gray and 50 per cent bassine, undyed, double drafted	10.75
Tampico gray and 10 per cent bassine, undyed, double drafted	
Tampico gray and 20 per cent bassine, undyed, double drafted	
Tampico gray and 30 per cent bassine, undyed, double drafted	
Tampico gray and 40 per cent bassine, undyed, double drafted	
Tampico gray and 50 per cent bassine, undyed, double drafted	10.00
Tampico gray and 10 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 20 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 30 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 40 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 50 per cent bassine, dyed black, combed in pigtails	10.50
Tampico gray and 10 per cent bassine, dyed black, single drafted	
Tampico gray and 20 per cent bassine, dyed black, single drafted	
Tampico gray and 30 per cent bassine, dyed black, single drafted	
Tampico gray and 40 per cent bassine, dyed black, single drafted	
Tampico gray and 50 per cent bassine, dyed black, single drafted	11.00
Tampico gray and 10 per cent bassine, dyed black, double drafted	
Tampico gray and 20 per cent bassine, dyed black, double drafted	
Tampico gray and 30 per cent bassine, dyed black, double drafted	
Tampico gray and 40 per cent bassine, dyed black, double drafted	
Tampico gray and 50 per cent bassine, dyed black, double drafted	16.50
Bahia bass, dressed	
African bass, dressed	8.50
Bassine, good current quality	8.00
Three-fourths Bahia bass, one-fourth African bass	14.50
One-half Bahia bass, one-half African bass	12.50
Three-fourths Bahia bass, one-fourth bassine, good current	14.40
One-half Bahia bass, one-half bassine, good current	12.25
One-half Bahia bass, one-fourth African, one-fourth bassine, good current	12.40

Unions, tampico and bassine—Continued.

Three-fourths African bass, one-fourth bassine, good current.....	\$8.35
One-half African bass, one-half bassine, good current.....	8.25
One-fourth African bass, three-fourths bassine, good current.....	8.15
Three-fourths bassine, good current; one-fourth scraps, dyed.....	6.40
One-half bassine, good current; one-half scraps, dyed.....	6.40

Prices to be understood per hundredweight, or 112 pounds, c. i. f., American seaports.

Payment, cash; 1 per cent discount against documents.

Awaiting your esteemed orders, I remain, dear sirs,
Yours, truly,

H. LECLUYSE.

**A. C. WHITING, BURLINGTON, VT., WRITES ASKING PROTECTION
FOR THE FIBER-DRESSING INDUSTRY.**

BURLINGTON, VT., *January 9, 1909.*

HON. SERENO E. PAYNE.

*Chairman Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: I am in receipt, from my old friend Col. Albert Clarke (who years ago came to St. Albans to work on the Messenger for my father), of a copy of the tariff hearings, in which is printed a portion of my letters to him. These letters (together with others) were written to Colonel Clarke on the subject of tampico and brush fibers, but neither of them was written with the expectation or intention of having them submitted to your committee, and they do not set forth the matter as clearly as it should be set forth. So I should like to set the matter before you once more, in better shape than expressed in these former letters.

Some thirty-five years ago my father, E. B. Whiting, and myself started an industry new to this country at least, and I think new to the world, i. e., the dressing of brush fiber (tampico particularly) for the brush makers by machinery.

Up to that time I think the work had been done by hand, the brush makers generally dressing their own fiber, although it was put up partially dressed by several manufacturers.

Passing over the years of doubt and loss, we finally "got onto our feet," and the trade began to take to our stocks in this country and abroad. This led to competition here, with the development of other machinery, and later in Europe. Competition in this country grew to be so strong that Europe did not try to put any dressed stock into this country until of late years. The general advance in wages which has been going on for a number of years back has not only forced us out of competition with Europe outside of this country, but they, having already ruined our trade in Canada (which was quite large) and in other countries, have gradually been forcing their goods into this country.

In England two years ago I found that a manufacturer who had come over here a few years before and bought a full set of our machinery had been obliged to suspend business in this line, as the Belgians and Germans, with their cheap labor, had taken the English trade all away from them, and I also found that this English manu-

facturer was paying his help about 50 per cent of what we paid our help at that time. We are paying still higher now.

For reasons above stated, dressed stock was not brought into this country to speak of until of late years, and I think I am right in saying that dressed Tampico or brush fiber has never been specifically mentioned in any tariff, for the reason that there has been no call for it. Crude Tampico or Istle, or Ixtle (the Mexican name), has always been free, as it should be, as it is not produced in this country. Under the last tariff I know that it had been assessed at 20 per cent duty, but it was not until I went to the appraisers' office in New York last November that I was able to find out how this duty was assessed. I then found that it was assessed under a "catch-all" paragraph, section 6.

That there shall be levied, collected and paid on importations of all raw or unmanufactured articles, not enumerated or provided for in this act, a duty of 10 per cent ad valorem, and on all articles manufactured in whole or in part, not provided for in this act, a duty of 20 per cent ad valorem.

I asked why it should not come in under Schedule J, article 347, which is as follows:

All manufactures of flax, hemp, ramie or other vegetable fiber, or of which these substances or either of them is the component material of chief value, not provided for in this act, 45 per cent ad valorem—

and was told that it could not come under this clause because, by a ruling of the custom-house, it had not changed its identity, had not been manufactured into something else, but was still Tampico.

This struck me as rather queer, and does still. I do not think there is anybody but what would allow that our stock is a manufactured stock. I, with forty or fifty others, have been at work for a good many years, and we supposed we had been manufacturing dressed brush fiber. We inclose herewith a copy of our price list, which serves merely as a fundamental basis to figure from, showing, as you will note, a good many different mixtures and styles. These are all subject to variations in many ways, so that the kinds of stock we get up run up into the thousands. I might say this list is subject to varying discounts of from 10 to 40 per cent.

The above is merely to show that there is no precedent for the amount of duty which should be fixed on dressed Tampico and brush fiber, because it never has been looked after, there being no occasion for it until the competition of late years, with the improved machinery of Europe and their extremely low labor there, they have begun entering our market here. When the question came up the customs officials simply put it under the "catch-all" phrase above.

Now, as to the amount of duty. Twenty per cent does not cover it. Dressed stock is coming in here more and more with each year. We have tried to find out just what the importation of dressed fiber is, but while we have the imports of Istle or Tampico fiber, the Hon. O. P. Austin, Chief of the Bureau of Statistics, writes us: "Returns received from collector of customs does not distinguish between dressed and undressed Tampico fiber." But we know that it is coming into this country in increasing quantities from what we know of the trade, and having seen it in the custom-house in New York (they were passing a lot the day we called there in November), and we want a proper duty imposed before our trade is ruined.

A large part of the Tampico used now in this country is the white, our prices on which are 12 to 13 cents. The Europeans are putting

this stock in now at from 8 to 9 cents which, with the 20 per cent added, leaves their price 1 to 2 cents below the market here. Whether they can go lower is a question. The trade in this country is limited, and the competition is very strong, so strong in fact that several parties, who were formerly in the business, have given it up, as there was no money in it. In fact, it is only by volume of business that we can get anything out of it. The normal cost of crude Tampico is, say, 5 to 6 cents. In dressing there is a waste of from 25 to 50 per cent, leaving, say, 5 to 6 cents for the cost of labor in this country.

Considerable stock is brought to this country on through bills of lading, transferred in New York, and if not sold there, goes on to Europe without any extra freight charge, so that the cost in Europe is about the same. Sometimes, owing to its being a market of last resort, they can buy cheaper than we can in New York, where, if the owner does not get his price, he ships it on to Europe. Now if stock costs them 5 cents, and they add 25 per cent waste and sell for 8 cents, it would leave them for labor \$1.75 as against \$5.75 for the American manufacturer. With 45 per cent duty on only 8 cents, it would bring their selling price up to \$12.40, about the price here; and, as stated, there is a question whether they can not even produce the stock at less than 8 cents. So that we feel that a duty of 45 per cent is necessary to protect the industry in this country, and for which we most earnestly pray.

As stated in our letter of December 1, 1908, to Colonel Clarke, I would suggest the following as best covering the ground: "Istle, ixtle, Tampico or Mexican fiber, bass, bassine, Palmyra, and similar vegetable fibers, when they have been dyed, combed, cut up, mixed, or dressed in any manner, 45 per cent ad valorem." The dressing of the different kinds of basses referred to, has never been developed in this country, because of the cheap labor of Europe, although the mixing of bassine with Tampico, is done a great deal here; at the same time we are not able to compete with the Europeans in price on this stock.

I, personally, am much more interested in the duty on Tampico than on basses or union fibers, but I realize that it would be an easy matter for foreigners to put in just enough bassine into a mixture, to have it come under the head of union fiber or bass mixture, and so avoid duty. And, further, if the importation of basses was covered by a proper duty, there would be a chance for fiber dressers in this country to develop that trade to advantage. At the same time I would not want the question of duty on bassine to interfere with the question of duty on Tampico, which is our main work.

The clause imposing a duty on dressed Tampico, and other brush fibers, should be very carefully worded to prevent the stock which has been partially, if not wholly, prepared, coming in free. On the other hand, these fibers, Tampico and istle, bass, bassine, etc., should be, in the crude state, without any question, in the free list, for none of these fibers is grown in this country.

Trusting that the industry of fiber dressing in this country may be maintained by the fixing of a proper duty, which has never before been done, I remain

Very truly, yours,

A. C. WHITING, of

E. B. & A. C. WHITING,

Dealers in and Dressers of Tampico and Other Brush Fibers.

BUTTON FORMS.

[Paragraph 413.]

**AMERICAN BRAID MANUFACTURERS ASK FOR HIGHER DUTY FOR
BUTTON FORMS OF MOHAIR AND OTHER MATERIALS.**NEW YORK CITY, *December 1, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Button forms: Lastings, mohair, cloth, silk, or other manufactures of cloth, woven or made in patterns of such size, shape, or form, or cut in such manner as to be fit for buttons exclusively, ten per centum ad valorem.

We recommend that this paragraph be stricken out. It permits the importation of the various manufactured articles therein enumerated at a very much lower rate than provided for in other schedules of this act for the same articles.

At the duty of 10 per cent ad valorem assessed in this paragraph it is impossible for the domestic manufacturer to compete with the foreign manufacturer of these articles, and not only deprives him of any protection whatsoever, but prohibitively discriminates against him by the duty which is imposed on the various yarns of which these articles are made.

Respectfully submitted by the braid manufacturers of the United States.

HENRY W. SCHLOSS,
President American Braid Manufacturers' Association.

BUTTONS.

[Paragraph 414.]

**THE AMERICAN BUTTON CO., NEWARK, N. J., WISHES SPECIAL
CLASSIFICATION FOR UNIFORM METAL BUTTONS.**70 MORRIS AVENUE,
*Newark, N. J., November 24, 1908.*HON. SERENO E. PAYNE,
Committee of Ways and Means, Washington, D. C.

DEAR SIR: We manufacture metal buttons. These goods are classed under Schedule N, article 414.

The duty on these, while not as high as we would like, is half fair and the competition can be met to a certain extent.

We pray your honorable body, however, that metal buttons used for uniforms be specially classed by themselves. The specific duty on these goods does not protect us, and would pray that an ad valorem duty be imposed of 45 per cent. This would be equivalent to present tariff on articles made from brass, not otherwise specified, Schedule C, article 193.

We hope for this change, as government goods should be made in this country, if possible, and several contracts for buttons, etc., have

recently been awarded to foreign people, something we do not think would be allowed by any other government of the world.

This 45 per cent protection would help us, and we pray for relief.
Respectfully submitted.

AMERICAN BUTTON Co.,
CHARLES K. WRIGHT, *President.*

**THE ROCHESTER (N. Y.) BUTTON COMPANY ASKS FOR COMPOUND
DUTIES ON VEGETABLE IVORY BUTTONS.**

ROCHESTER, N. Y., *November 25, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: We address you as manufacturers of vegetable ivory buttons. The present tariff shown in Schedule N, page 44, paragraph 414. We also beg to call your attention to the fact that vegetable ivory, our raw material, comes in free, as it is not grown in this country. This is shown in paragraph 584, page 53.

We beg to refer you to paper presented before the Ways and Means Committee January 21, 1897, and printed on page 1811 of those hearings. This paper was correct at that time, and on which you granted to our industry the present rate of duty. The rate now in force has benefited our industry in so far that the number of employees has been increased (comparing government census of 1900 against 1905) 150 per cent. The amount of capital invested has increased over 100 per cent and the amount of wages paid over 48 per cent. The inclosed paper presented shows that at that time we were paying for labor 450 per cent more than Germany, Austria, or Italy for identically the same class of labor. To-day American labor has been increased as above 48 per cent, and the foreign labor—used then for comparison—but slightly.

We request your honorable committee in the readjustment of the tariff, if consistent, to give us what we asked for in 1897—1 cent per line of one-fortieth of an inch per gross, and in addition thereto 25 per cent ad valorem as a maximum duty and leave the present rate as it is as a minimum duty.

We have several hundred employees depending upon this industry for their living, of all political parties, even socialistic, and they all of them appeal to us to do all that we can to prevent cheap buttons being imported into this country.

Whether we have three-quarters of 1 cent per line per gross and an ad valorem duty, the amount of the duty on buttons on a suit of clothes is so infinitesimally small that it hardly affects the consumer, but it is of very great importance to the manufacturers and their employees. We can not pay present wages if the tariff on our industry is reduced: Italy has practically ruined the button industry in Canada, where they have no specific duty. We need for fair protection a specific as well as an ad valorem duty. An ad valorem duty does not protect anyone, on account of fictitious values, unless in connection with a specific duty.

We appeal to you for fair and legitimate protection for our labor (80 per cent of the cost of the goods is in labor) against foreign labor and a legitimate and legal rate of profit on money invested. As far as our own particular business is concerned, we are perfectly willing to have anyone investigate and substantiate the statement that there have been no excessive profits made. There is no trust, combination, or agreement in the button industry.

We ask your consideration of our request, and beg to remain,
Yours, very truly,

ROCHESTER BUTTON Co.,
H. K. ELSTON, *Treasurer.*

**THE WATERBURY (CONN.) BUTTON CO. WISHES PRESENT DUTIES
ON CLOTH-COVERED BUTTONS RETAINED.**

WATERBURY, CONN., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: One of our products of manufacture is cloth-covered buttons. The raw material from which these buttons are made is, first, tagger's iron, which to-day is almost entirely manufactured in this country. This iron is used as a base over which the cloth is drawn. The cloth covers are largely imported and are dutiable under section N, article 413.

We pray your honorable committee to continue this paragraph as it is. The cloth-covered-button industry is quite varied and largely a matter of fashion.

We have no reliable statistics to offer as to whether the present duty is sufficient to protect American labor as against the foreign labor. We would, however, pray your honorable committee that cloth-covered buttons be continued at present rate of duty, viz, section N, article 414.

The product we are very much interested in is buttons manufactured from vegetable ivory. The raw material (ivory nut) is imported from South America and is on the free list, and we pray your honorable body may remain there. It is our desire that the present tariff stand as classed, viz, Schedule N, article 414. Vegetable-ivory buttons are used for a great variety of garments, and the business as a whole is of no mean proportions. The manufacturers' census of 1905, Bulletin 85, shows that there was produced in the year 1904 vegetable-ivory buttons to the amount of 2,470,409 gross, valued at \$1,305,766. This is only about a 20 per cent increase over the census of 1900, and would go to show that the duty as now imposed protected the domestic manufacturers by a very narrow margin.

We therefore pray your honorable committee let paragraph 414 of Schedule N stand as it is and thus protect one of the small but useful industries.

We also manufacture metal buttons. These goods are classed under Schedule N, paragraph 414. It is our desire that your committee let this paragraph remain as it is. The business has made a steady growth since the passage of this act, as is shown by the comparison of census between 1890 and 1905.

	Census of 1890.	Manufacturers' census of 1905.
Number of establishments	106	275
Number of employees	4,036	10,567
Wages paid per year	\$1,673,876	\$3,680,196

The metal buttons mentioned in article 414 are particularly the fancy buttons, made from metal, used on ladies' suits and ladies' cloaks. These are at times imported in large quantities. These are protected by the specific duty.

We pray your honorable body that metal buttons used for uniforms, such as the United States Army, railroads, steamships, and all other uniforms, be specially classed by themselves. We find that the specific duty on these does not protect us, and would pray that an ad valorem duty be imposed of 45 per cent. This would be equivalent to the present tariff on articles made from brass not otherwise specified, Schedule C, article 193:

“Articles or wares not specially provided for in this act, composed wholly or in part of iron, steel, nickel, pewter, zinc, gold, silver, platinum, aluminum, or other metal, and whether wholly or partly manufactured, 45 per cent ad valorem.”

We advise this change from the fact that uniform buttons are plated with a certain amount of precious metal. The value of this plating is generally specified in contract, and is a matter easily found out by the appraiser.

We make this prayer owing to the fact that English competition has been able to take several contracts for furnishing the United States Government army buttons during the past few months. Were they obliged to pay an ad valorem duty of 45 per cent we should be able to hold that business in this country.

Therefore we would recommend that there be added to Schedule N, article 414, a paragraph, as follows:

“Metal buttons for uniforms not specially provided for in this act, 45 per cent ad valorem.”

Respectfully submitted.

WATERBURY BUTTON COMPANY,
J. R. SMITH, *President*.

THE STEELE & JOHNSON MANUFACTURING COMPANY, WATERBURY, CONN., WISHES A DUTY OF FIFTY PER CENT PLACED ON METAL UNIFORM BUTTONS.

WATERBURY, CONN., *November 25, 1908.*

HON. SERENO E. PAYNE,

Committee on Ways and Means, Washington, D. C.

DEAR SIR: We are manufacturers of metal buttons for uniforms particularly, and of late have suffered seriously from foreign competition, both in connection with the general trade and the United States Government as well.

Referring to Bulletin 85, Census of Manufacturers, 1905, Table 11, buttons, shows the value of imports of metal buttons, not specially provided for, as follows: 1900, \$58,189; 1905, \$233,664, an increase in five years of nearly 300 per cent.

We would earnestly request your honorable body to fix on uniform buttons, manufactured from metal, an ad valorem duty of not less than 50 per cent.

Respectfully,

STEELE & JOHNSON MANUFACTURING CO.,
B. L. COE, *Treasurer.*

**B. BLUMENTHAL & CO., OF NEW YORK CITY, THINK AN INCREASE
IN DUTY ON BUTTONS IS NOT NEEDED.**

514 AND 516 BROADWAY,
New York, November 25, 1908.

HON. S. E. PAYNE,
*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR:

* * * * *

The importation of buttons, which amounted to about \$4,000,000 per annum prior to 1890, and would undoubtedly be over \$10,000,000 per annum at the present time if the rate of duty had not been advanced, only amounted to \$581,887.84 for the fiscal year ending June 30, 1908.

As it is possible that some of the manufacturers may ask for an increased rate of duty, above figures are sufficient to demonstrate that no increased rate of duty is necessary.

Should you at any time desire any further information on paragraph 414 we will be pleased to furnish same.

Respectfully, yours,

B. BLUMENTHAL & Co.

**THE UNITED OCEAN PEARL MANUFACTURERS' ASSOCIATION OF
AMERICA ASKS MAINTENANCE OF THE PRESENT PROTECTIVE
DUTY ON PEARL BUTTONS.**

ARLINGTON, N. J., *November 25, 1908.*

WILLIAM K. PAYNE,
*Clerk Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: The United Ocean Pearl Manufacturers' Association of America begs leave to submit to your committee the inclosed brief, and kindly invite your earnest consideration of the same, relating to the tariff on pearl buttons.

The association representing the various trades that use mother-of-pearl as raw material, beg respectfully to submit to your committee the following:

That there does not exist in the pearl industry any combination of trades of any sort: neither do any agreements or understandings

exist as to maintaining prices: but there is absolutely free competition amongst the manufacturers, and everyone sells his goods as best he can and may.

While it would have been easy for us to submit you all sorts of statistics, we thought that we might prove this fact by a much simpler and more convincing proof.

We beg herewith to annex to this a list of all the companies and individual manufacturers interested in the pearl industry with their names and addresses, and we give you, with each manufacturer's name, his capital rating both according to Bradstreets and Dun's.

Your committee will see therefrom that the highest rating of any, and in a very few instances only, and as a maximum, is \$200,000, and that in the majority of cases the capital of the people interested in these industries is only very modest, and in a very great many instances the manufacturers have no capital rating at all.

This proves that although this industry has been protected for the last eighteen years, and although it is to be assumed that a great number of the manufacturers are men of average intellect, yet there has not been a single instance of any fortune having been amassed in this trade.

We make this statement to show that our industry is most certainly not overprotected, and that individual competition makes it impossible for anyone in this industry to amass any fortune at the cost of the general public.

While the official statistics of the custom-house show that the importation of pearl buttons in the year 1905 was \$172,101, and in the year 1906, \$133,567, and in the year 1907, \$164,154, you will see equally from the official government publications that there is practically no export existing from this country, the exception being formed by a small exportation of a few thousand dollars from this country to Canada, which is possible only through local reasons and contiguity of the territory.

Conditions, such as we are told exist in some industries where the surplus production is exported and sold abroad at cheaper prices, do not, and can not exist in our industry, as we can not compete with Europe or other countries on account of labor.

Furthermore, the system in Australia of apprentice labor is in force—that is, boys of 15, 16, or 17 years of age are apprenticed to an employer for three years, during which time they can not leave his service under any condition, and during this time of apprenticeship their wages increase gradually from about 1.50 florins for the first year to 3 florins in the third year.

These apprentices, who, if they are of average intellect, can, after six months, perform in certain branches of the industry (such as cutting, drilling holes, and polishing) the work of a grown-up man, are therefore paid at the rate of about \$1 per week, and even under the present tariff for the smaller lines of buttons, which require a great deal of labor, our industry is not overprotected.

This cheaper labor gives European countries also another great advantage—that is, the choice of the raw material which they use. The raw material pays no duty in the United States or in any European country, but the cheapness of labor in Europe is such that

the European manufacturer is able to use the poorest grubby shells (of which we submit sample), and which the American manufacturer can not use, because the high-priced labor would lose too much time in handling such raw material.

The fact is, the raw material comes to America, is sorted out, and the poorest grubbies are reexported to Europe, where they find buyers, while they could not be used in America.

The fact that the importation of buttons from Europe continues is clear proof that even at the present reading of the tariff we are not overprotected against European competition.

Of late years another most formidable danger has arisen for our industry in the shape of Japanese competition. We beg to submit a paragraph taken from the report of the United States consul-general of June of this year, from which your committee will be able to see not only the increase of this industry in Japan, but also the tremendous ratio of increase in exportation of buttons to European countries.

The consul-general mentions that these goods are reexported from these countries, and evidently part of them find their way to this country.

For these reasons, our association, representing the various interests of pearl workers in the United States, request your honorable committee that the present tariff on pearl buttons be maintained.

AN AMERICAN INDUSTRY.

Consul-General Jussen, under date of December 30, 1887, reports as follows:

"The manufacture of pearl buttons is not an industry of the United States and probably never will be. Reason is obvious. Pearl buttons can not be manufactured by machinery, owing to the brittle nature of the shell. This hand labor is performed at the rate of \$2 to \$2.80 per week."

The above report was previous to the passage of the McKinley bill. Immediately following the operation of the McKinley tariff bill the making of ocean pearl buttons became an important industry in the United States. We are pleased to hand you herewith the importations of pearl buttons previous to this bill, and also the years following from 1891 to 1897, inclusive, showing that this has been a successful industry under the present tariff:

1884.....	\$1,496,000
1886.....	1,681,747
1887.....	1,612,000
1888.....	1,558,000
1889.....	1,352,000
1891.....	100,001
1895.....	375,886
1896.....	332,210
1897.....	259,278
1900.....	36,262
1905.....	172,101
1906.....	133,567
1907.....	164,154

THE JAPANESE INDUSTRY.

Consul-General Henry B. Miller forwards from Yokohama the following information from newspapers published in Japan of industrial development in that Empire:

The manufacture of shell buttons was introduced into Japan by a German about twenty years ago, and factories have since been started in Osaka, Hyogo, Wakayama, and other places. Raw material is imported from India and the South Sea Islands. The principal destination of the buttons is Germany and France, whence they are reexported to other countries. It is stated that lately orders have been received by manufacturers direct from Europe. At present Osaka is the center of the shell-button industry, there being in the city over 60 factories, while there are 12 or 13 in Hyogo and Wakayama, 3 or 4 in Mie, and 2 each in Ishikawa and Oita. There is 1 factory in Okayama which is devoted to the manufacture of buttons from mother-of-pearl. The value of buttons exported last year amounted to \$272,600, against \$169,900 in 1906 and \$74,900 in 1905.

AMERICAN MANUFACTURERS.

Following is a list of American manufacturers of pearl buttons, and their rating:

Manufacturers.	Rating.
American Pearl Manufacturing Company, Philadelphia, Pa.	\$50,000—\$75,000
American Pearl Button Company, New York.	
Astoria Pearl Button Company, Astoria, Long Island.	
Albrecht, J., Winfield, Long Island.	
Blakeman, C., Newark, N. J.	35,000— 50,000
Bohm Pearl Button Company, New York.....	5,000— 10,000
Ballek, F., Secaucus, N. J., less than.....	500
Bradac, W., Carlstadt, N. J.	
Budin, C., Little Ferry, N. J.	
Bloom & Co., Providence, R. I.	
Cameron Company, W. L., New York.	
Cleveland Pearl Button Works, Cleveland, Ohio.....	50,000— 75,000
Cimler, J., Secaucus, N. J.	
Cimler, C., Union Hill, N. J.	
Cech, F., New York.....	10,000— 20,000
Dvorak, J., Little Ferry, N. J.	2,000— 3,000
Dvorsky, J., Astoria, Long Island.....	5,000— 10,000
Davis & Sons, T., Newark, N. J.	35,000— 50,000
Delaney, W., Newark, N. J.	3,000— 5,000
Dolezal, J., New York.	
Edwards, J., Newark, N. J., less than.....	500
Empire City Pearl Works, Long Island City, Long Island.....	125,000—200,000
Essex Pearl Button Company, Arlington, N. J.	20,000— 30,000
Eastern Pearl Button Company, Brooklyn, N. Y.	
Federal Pearl Button Company, Newark, N. J.	
Fischer, P., Union Hill, N. J.	
Genmi Brothers Company, Philadelphia, Pa.	20,000— 35,000
Gager, L., Union Hill, N. J.	
Gaffney, J. H., Providence, R. I., less than.....	500
Garbrel Brothers Company, Philadelphia, Pa.	
Hirshfeld, H., New Milford, N. J.	3,000— 5,000
Hirsch & Co., L. H., New York.....	125,000—200,000
Hamburg Button Company, Newark, N. J.	35,000— 50,000
Havsa & Co., New York.	
Haydenville Button Company, Haydenville, Mass.....	10,000— 20,000
Hirbek, F., Union Hill, N. J.	1,000— 2,000
Hodson & Co., J. M., Philadelphia, Pa.	
Hrouda & Co., J., New York.....	5,000— 10,000
Huebner & Sons, E., Newark, N. J.	35,000— 50,000

Manufacturers.	Rating.
Hak, A., Wellington, Conn.	
Hendle, J., Union Hill, N. J.	
Heger, C., Carlstadt, N. J.	\$500- \$1,000
Halleigh Company, R., Philadelphia, Pa.	5,000- 10,000
Hrbeks, R., Little Ferry, N. J.	
Habart, A., New York.	
International Button Company, Rochester, N. Y.	50,000- 75,000
Janitschek, F., New York.	
Kozich, P., Astoria, Long Island.	
Karasek, J., West Hoboken, N. J.	
Krall & Co., Wm., Astoria, Long Island.	10,000- 20,000
Koudelka, L., New York.	
Keer & Winters, Newark, N. J.	20,000- 30,000
Kozich, J., Union Hill, N. J.	
Krallert & Zelfellow, Brooklyn, N. Y.	
Krass, D., New York.	
Kasper, J., West New York, N. J.	
Lawler, S. L. & J. H., Brooklyn, N. Y.	
Lederer & Co., S. B., Attleboro, Mass.	20,000- 35,000
Linforth, J., Brooklyn, N. Y.	10,000- 20,000
Myslick, I., Providence, R. I.	
Mousley, A. J., Philadelphia, Pa.	3,000- 5,000
Mylnar, C., New York.	
Masinda, Wm., Newark, N. J.	
Mach, E., Little Ferry.	
McCarthy, William, West Willington, Conn.	
Novelty Pearl Works, Secaucus, N. J.	3,000- 5,000
New England Pearl Company, New York.	2,000- 3,000
New Jersey Button Company, Claremont, N. H.	30,000- 50,000
Ortman, Providence, R. I.	500- 1,000
Prochaska & Co., J., Newark, N. J.	
Prince, A., Irvington, N. J.	
Philadelphia Pearl Novelty Company, Philadelphia, Pa.	35,000- 50,000
Peerless Pearl Company, Philadelphia, Pa.	10,000- 20,000
Popp, J., Chicago, Ill., less than	500
Progress Button Company, Philadelphia, Pa.	
Providence Pearl Button Company, Providence, R. I.	
Pauer, J., Higganum, Conn.	
Roherl, A., West Hoboken, N. J.	2,000- 3,000
Roschman & Bros., R., Ontario, Canada.	35,000- 50,000
Reheis Brothers, Newark, N. J.	
Raichelt, H., White Plains, N. Y.	
Smith, P., Vineland, N. J.	
Schwacher, C., Higganum, Conn.	
Schwander, B., Winfield, Long Island.	
Sulley, R., Newark, N. J.	
Sedlacek, A., Newark, N. J.	
S. & S. Novelty Company, Providence, R. I.	5,000- 10,000
Schwetz, R., Long Island City, Long Island.	
Schedwy, R., Little Ferry, N. J.	
Schoen, G., Carlstadt, N. J.	
Schoer, S., New York.	
Tonks Brothers Company, Newark, N. J.	35,000- 50,000
Voclavicek, T., New Durham, N. J.	
Vigilant Button Company, Taunton, Mass.	3,000- 5,000
Wallbot, H., New York.	20,000- 35,000
Williams & Co., M. F., Providence, R. I.	20,000- 35,000
Weingenroth, E. W., Brooklyn, N. Y.	10,000- 20,000
Webster, H., Philadelphia, Pa.	
Wranek, F., Astoria, Long Island.	1,000- 2,000
Zima, J., Union Hill, N. J., less than	500
Zampach, C., Union Hill, N. J.	

Very respectfully,

Committee: A. V. Hamburg, Chairman, President Ham-
burg Button Co., Newark, N. J.; Thomas Tonks,

President Tonks Bros. Co., Newark, N. J.; Joseph Bohm, Treasurer Bohm Pearl Button Co., New York City, Wm. Krall, of Wm. Krall & Co., Long Island City, New York; J. R. O'Connor, Secretary Essex Pearl Button Co., Arlington, N. J.

STATEMENT OF A. V. HAMBURG, REPRESENTING THE HAMBURG BUTTON COMPANY, NEWARK, N. J., WHO ASKS THAT PRESENT DUTY ON PEARL BUTTONS BE RETAINED.

SATURDAY, *November 28, 1908.*

Mr. HAMBURG. Mr. Chairman, if you will pardon me, I will speak very rapidly, supplementing the brief I am going to leave here, in view of the remarks of the previous speaker.

The CHAIRMAN. That is right; go ahead.

Mr. HAMBURG. Gentlemen, I am here in the interest of pearl buttons. The speaker who preceded me stated that he entered a protest because he understood that there was an advance to be asked for of one-half a cent a line, more or less. Of course, we are not responsible for what he understood. There is no such demand to be made. I am selected to represent the association, and I shall be pleased to state a few facts as briefly as I can.

First, we ask that the present tariff on pearl buttons be retained. Next, we have in our brief for you a full list of the manufacturers engaged in that line of business in the United States, with their commercial ratings, to show you that there have been no fortunes made in that line of business. We have also a scale of wages prepared for you, comparing European countries and this country, to show you our exact position.

Next, there is no "trust," no agreement, no contract, no combination among the manufacturers whereby price, stock, quantity, quality, or anything else is agreed upon. Each manufacturer is allowed to make, turn out, and sell his wares as best he can. Prior to the act of 1890 the pearl-button industry was of no account in the United States. The United States consul-general at Vienna at that time wrote as follows:

The pearl-button industry will never be of any importance in the United States.

He stated his reasons, which were that shell being brittle, machinery could not make it. The price of labor in that country is from \$2 to \$2.80 a week, and we are paying from \$12 to \$17 a week.

The minute the McKinley bill went through we turned the imports, which ran from \$1,300,000 close to \$2,000,000, to \$100,000, \$200,000, and \$300,000; and we turned that stuff out most successfully in this country. After the passage of the act of 1894, when the Wilson bill reduced our tariff, the imports went up again to \$300,000 and \$400,000; and as a result of the change in the Dingley bill of 1897 we decreased those imports again. I am giving you these sums in round figures because I am in a hurry. That was the result of this

additional protection. To-day the tariff is $1\frac{1}{2}$ cents specific and 15 per cent ad valorem.

The competition that we have in Europe is based upon these facts: The wages in France, in Austria, and in England are about one-half what they are here; in Austria they are less than that. In addition to that, a new competition has sprung up that some of you gentlemen may not have heard about; that is, that the Japanese have entered the field, and there is stuff made by them [producing samples]. If you touch our tariff to the tune of half a cent a line (and when I say "a line," I speak of the American measure, which means forty lines to the inch) you will injure us—there are Japanese goods, there are French goods, and there are American goods. Had I time, I would show you some of the handsomest goods the world has seen that we have made here, and this is an industry that has only been made possible since the McKinley bill allowed us to do it. We are satisfied as it is; but while the business has been carried on very successfully, profits are very close. The condition is such that any questions you gentlemen might ask at any time we would be pleased to answer, and to show that you or your predecessors have made possible this business that is now producing thousands and thousands of dollars in the way of wages.

The CHAIRMAN. Your time has expired.

Mr. HAMBURG. Congressman Clark, when you were in our city in January you were the honored guest of our board of trade and we had the pleasure of receiving you. If you had been able to spend two days there—

The CHAIRMAN. Tell that to Mr. Clark privately. Your time is up.

Mr. HAMBURG. It is? Very well. I thank you, sir.

Mr. BOUTELL. Let me see those Japanese buttons.

Mr. HAMBURG. Yes; I will bring those over, Mr. Boutell. [Exhibiting buttons to Mr. Boutell.]

STATEMENT OF MARSHALL J. CORBETT, REPRESENTING ROTHSCHILD BROTHERS, 466 BROADWAY, NEW YORK CITY, N. Y., RELATIVE TO PEARL BUTTONS.

SATURDAY, *November 28, 1908.*

Mr. CORBETT. Mr. Chairman and gentlemen of the committee, Mr. Rothschild was called to New York. He asked me to state to the gentlemen of this committee that, having considerable interests in the manufacture of pearl buttons in this country and having heard that a delegation from Newark or some other city was coming here to ask for an increase in the duties on those goods, he desires to enter a protest against that. He considers the present duty quite sufficient, and he thinks that it is better for it to remain as it is, both for the interests of the laboring men and for the interests of the business. If desirable, he would like to file a brief in regard to this matter, and also in regard to your hearings.

STATEMENT OF D. A. WILLIS, REPRESENTING THE VIENNA PEARL BUTTON MANUFACTURING COMPANY, 514 BROADWAY, NEW YORK CITY, N. Y.

SATURDAY, *November 28, 1908.*

Mr. WILLIS. Muscatine, Iowa, is our manufacturing point. Mr. Chairman and gentlemen, I address you in the interest of the pearl button manufacturers of the Mississippi Valley, who make pearl buttons from shells found in our western rivers.

Previous to 1890 there were no staple pearl buttons made in America, as the low rate of duty, which was 25 per cent ad valorem, did not allow us to compete with imported buttons.

The McKinley tariff placed a specific duty on pearl buttons, and this specific duty allowed us to start the pearl-button business in America.

The Dingley tariff reduced the specific rate about 35 per cent and also reduced the ad valorem rate.

Under the Dingley tariff the pearl-button industry has grown so that it now employs thousands of people and utilizes a product that was hardly known to exist previous to 1890.

The annual consumption of fresh-water shells by the button factories now amounts to between 30,000 and 40,000 tons.

This gives employment to the shell diggers who gather the shells from the river beds, the transportation companies who haul the shells to the factories, and the thousands of employees in the button factories who make the buttons, and all of whom make good wages.

On account of improved machinery, better methods in manufacturing, and keen competition, the price of these buttons has been gradually reduced so that at present they are selling at about one-half of former prices, and the profit to the manufacturer is exceedingly small.

It is absolutely necessary that the present specific rate of duty be maintained, as even a slight reduction in the specific rate would encourage competition from Europe, and especially from Japan.

This Japanese competition would prove a very serious matter. It did not exist at the time the Dingley bill was framed.

If there was no specific duty to-day, the Japanese would make all the staple pearl buttons used in America.

Pearl-button manufacturing is one of the main and growing industries of a number of cities in the Mississippi Valley and elsewhere, whose population largely depend on the wages received from the button factories for their support.

Mr. Chairman and gentlemen, on behalf of the manufacturers of fresh-water pearl buttons I ask for the maintenance of the present schedule of pearl-button duty.

BITUMINOUS COAL.

[Paragraph 415.]

**ORMAN B. HUMPHREY, BANGOR, ME., QUESTIONS THE WISDOM
OF A DUTY ON BITUMINOUS COAL.**96½ EXCHANGE STREET,
*Bangor, Me., November 13, 1908.*HON. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR: In view of the present agitation of the proposed tariff revision, it seems appropriate at this time to question the wisdom of the present duty on Nova Scotia bituminous coal. This question is one of vital importance to the State of Maine especially, owing to its proximity to the provinces. With the duty removed, or even materially reduced, Nova Scotia coal would be the direct means of building up great manufacturing industries in this State and throughout New England.

This matter is of such importance to the manufacturing interests in my section of the country that I am prompted to earnestly advocate a very material reduction in, if not the absolute removal of, the duty on Nova Scotia coal.

I sincerely hope this question may be most carefully considered by those who are in a position to act for the general welfare and industrial prosperity of the country.

Yours, respectfully,

ORMAN B. HUMPHREY.

**JOHN E. WARREN, OF CUMBERLAND MILLS, ME., THINKS THAT
THE COUNTRY SHOULD HAVE FREE COAL.***CUMBERLAND MILLS, ME., November 20, 1908.*HON. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR: In common with many other Republicans of New England, I believe in the general principle of protection. I think that we are entitled to free coal and that the general policy of our country should be for free coal on the principle that it is raw material.

We certainly are using up our own supplies of coal rapidly enough, and our coal regions presumably do not need any protection against the Nova Scotia coals that would come to us.

I trust that you will see your way clear to use your influence for this purpose.

Yours, truly,

JOHN E. WARREN.

**MEMORIAL OF COAL OPERATORS OF THE PITTSBURG, PA., DIS-
TRICT RELATIVE TO RECIPROCAL FREE COAL BETWEEN
CANADA AND THE UNITED STATES.**FULTON BUILDING,
*Pittsburg, Pa., November 23, 1908.*HON. JOHN DALZELL, M. C., *Washington, D. C.*

DEAR SIR: On January 24, 1907, the coal operators of western Pennsylvania, representing a production of 35,000,000 tons, wrote you

urging reciprocal free coal between Canada and the United States, and seeking to enlist your aid in the cause. On January 29, 1907, you answered the letter substantially, stating that it was inopportune at that time to take up the subject, but when opportunity offered in revision of the tariff, you would be pleased to give the matter proper attention. I inclose copy of the letter the coal operators sent you in 1907, with the names of the several companies signing the letter

The reasons are even more substantial and strong to-day in favor of reciprocal free coal with Canada, so far as the Pittsburg district is concerned, than at the time we submitted the matter to you, in 1907. The markets and outlet for Pittsburg coal have become very circumscribed on account of other fields opening up and their low freight rates. Canada is the only large market in close proximity to our field that we have at all to-day, and we feel that it is a vital matter to secure reciprocal free coal with Canada. In looking into this matter we are informed that Canada is in a mood at the present time to consider the subject favorably. The coal-mining industry of western Pennsylvania feels that there is every reason why this should be secured, and is unable to see where there are any valid and substantial reasons against it; certainly the coal-mining industry of western Pennsylvania is entitled to as much consideration one way as the iron and steel industry is another. We feel that it is quite important for us that you lend your aid and abilities in securing congressional enactment on this subject. Meanwhile, I would thank you to give expression to your ideas on the subject and what methods we should adopt to push the matter, if that would be necessary. Several operators thought that it ought to be taken up with you first and get your suggestions in regard to how we should proceed in securing reciprocal free coal with Canada, which is, decidedly, a live question with us in this district to-day.

Very truly, yours,

D. W. KUHN.

PITTSBURG, PA., *January 24, 1907.*

HON. JOHN DALZELL, *Washington, D. C.*

DEAR SIR: The coal operators, subscribers to this letter, of the Pittsburg district, representing 35,000,000 tons of production of bituminous coal, are deeply interested in and strongly favor reciprocal trade relations between the United States and Canada, with special reference to reciprocal free coal between the two countries. The passage of an act by Congress securing such relations with Canada would enable the coal operators of western Pennsylvania and shippers of Pittsburg district to ship into Canada free of duty a large coal tonnage, which trade would greatly increase and expand with such an impetus. We believe that reciprocal free coal with Canada would be of vast benefit to the coal operators and shippers in western Pennsylvania; and the prosperity of this industry would benefit, directly and indirectly, more people than the promotion of any other industry in the western part of the State. Western Pennsylvania has always been foremost in seeking to protect and benefit its industries—no one has voiced these sentiments more strongly than yourself—and we submit that reciprocal free coal commends itself as urgently necessary as any tariff movement heretofore favored by its representatives in Congress.

Other coal territories in other States have recently been opened up, which, on account of advantages in proximity to markets and freight rates, make it difficult for operators in the western Pennsylvania fields to compete therewith; whereas the comparatively short distance between our coal fields and Canada makes Canadian territory a natural and logical market for our product.

The extensive development in all lines of industry now in progress in Canada are governed as to their location largely by cost of fuel and advantages in securing same; the upbuilding and general development of that part of Canada con-

tigious to our coal fields will develop a large volume of trade between Pennsylvania and Canada in many lines of commerce other than the coal trade. As a comparatively small amount of coal is shipped from Nova Scotia into New England, on account of the better markets Nova Scotia is now finding for its "bunker" trade, and for the reason that reciprocal free coal with Canada would be of such vast benefit to western Pennsylvania, we believe that the time has arrived when we should secure by congressional enactment the privilege of shipping coal into Canada free of duty.

We would respectfully assure you that the coal interests of western Pennsylvania feel deeply on the subject, and believing that it is for the best interests of this part of the State we urgently request that you lend your aid and abilities in securing reciprocal free coal between the United States and Canada, for which the undersigned would thank you.

Yours truly,

Pittsburgh Coal Company, W. R. Woodford, vice-president; Pittsburgh and Westmoreland Coal Company, H. A. Kuhn, president; Blaine Coal Company, Pittsburgh-Buffalo Company, David G. Jones, secretary; Youghiogheny and Ohio Coal Company, J. G. Patterson, vice-president; Great Lakes Coal Company, Emmett Queen, president; Pittsburgh Plate Glass Company, W. L. Clause, president; Carnegie Coal Company, J. T. M. Stonerod, secretary and treasurer; Verner Coal Company, H. J. Verner, president; J. H. Sanford Coal Company, United Coal Company, W. S. Kuhn, president; Fayette Coal Company, A. M. Bell; Richards Coal Mining Company, H. S. Richards, secretary; The People's Coal Company, G. W. Thomas, general manager; Braznell Coal Company, A. S. Braznell, president; Dunkirk Coal Company, A. S. Braznell, manager; Meadowlands Coal Company, W. L. Dixon, general manager.

STATEMENT OF JOHN E. WARREN, REPRESENTING S. D. WARREN, & CO., BOSTON, MASS., AND CUMBERLAND MILLS, ME., ASKING FOR REDUCTION OF DUTY ON BITUMINOUS COAL.

SATURDAY, *November 28, 1908.*

Mr. WARREN. I represent the firm of S. D. Warren & Co., Boston, Mass., manufacturers of pulp and of paper, asking for a reduction or repeal of the duty on bituminous coal, and I will submit their statement.

I will briefly state that there were imported into the United States in the year 1907 about 2,100,000 tons of bituminous coal, of which about 1,400,000 tons, or two-thirds, came from British North America, and something over 600,000 tons came from Nova Scotia. The Nova Scotia coal is the article in which we are particularly interested, although, of course, I suppose that the duty on coal would refer to all bituminous coal; that is, a reduction would include all bituminous coal imported into this country. This 2,100,000 tons imported is but about six-tenths of 1 per cent of the bituminous coal that was produced and used in this country in the year 1907. The duty on this coal is 67 cents a gross ton. The duty, however, on the slack or culm is but 15 cents per gross ton, and is not prohibitory.

As a citizen of the State of Maine, and a protectionist, I believe there is no reason other than revenue why there should be a duty upon bituminous coal. The coal producers of this country certainly do not need protection, and if they did this would not suffice. This is the nearest coal to us and ought to be used along the entire New England coast. It would not penetrate very far into the country. We in New England need it. The manufacturing industries of New England need it in competition with the cheap coal of Pennsylvania

and of Virginia. Cheap coal is oftentimes cheaper than water power; and we need to import this coal, which would be used all along the New England coast. It would probably not be used over the country more largely than that.

That is, I think, all I have to say; and I should like to submit my statement.

Mr. CLARK. Did you say you were in the wood-pulp business?

Mr. WARREN. Yes.

Mr. CLARK. And you want this coal as an aid to making wood pulp?

Mr. WARREN. Well, yes—chemical pulp.

Mr. CLARK. And you are not willing to take any of the tariff off of wood pulp, as was thoroughly demonstrated here?

Mr. WARREN. I have not said that yet.

Mr. CLARK. Everybody else that was given a hearing about it said it, except one fellow; and the others all pitched into him.

Mr. WARREN. As a paper manufacturer, I will state that we would not oppose a revision of the tariff on paper.

Mr. CLARK. You are willing to cut it down?

Mr. WARREN. We are willing to have it cut down; and if it is accompanied with a reduction of the duty on the material that goes into paper, like coal and chemicals and clay, I do not know but that we would agree to the repeal of the tariff on paper.

Mr. CLARK. I am glad to hear it.

Mr. WARREN. I am speaking only for the institution that I represent.

Mr. CLARK. I am delighted to make your acquaintance.

Mr. WARREN. I am not speaking for the news men at all.

(Mr. Warren's brief is as follows:)

NOVEMBER 25, 1908.

The Hon. SERENO PAYNE,

Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We, the firm of S. D. Warren & Co., of Boston, Mass., are paper and pulp manufacturers, operating mills at Cumberland Mills, Me., Yarmouth, Me., and Gardiner, Me.

Our total consumption of coal is between 100,000 and 120,000 tons per annum, of which at present some 50,000 tons come from Nova Scotia. This is the natural source of coal for New England, and in the early days of manufacturing it was almost the only source. The amount of coal sold by Nova Scotia to go to the United States was, in 1907, 616,312 tons, of which 545,652 tons were shipped to Boston. The duty on bituminous coal is 67 cents per gross ton and on slack or culm 15 cents per gross ton. Data as to what amount of this was slack and what was run of mine is not available, but it is safe to say that it paid an average duty of 40 cents per ton, or \$246,525, which is a very considerable burden for the industries of New England to bear, handicapped as it is by its distance from the resources of the country.

The total coal imported for the year 1907 was 2,116,122 tons, of which 1,398,194 tons came from British North America. Foreign coal is supplied to New England, the Gulf ports, the Pacific ports, and along the western Canadian border, at points where it is in a way

the natural supply, and where distance and consequent high freights make the competition of American coal practically impossible, or at least difficult. For that reason we believe that the interests of the manufacturing communities in those districts are best served by the removal of the duty on coal, which removal would lift a very appreciable burden from the manufacturer, with a comparatively small reduction in the revenue and, we believe, without any commensurate injury to the coal producers of the United States.

Total bituminous coal produced in the United States for the year
1907 -----net tons-- 383, 698, 543

Equivalent to -----gross tons-- 342, 587, 985
Total bituminous coal imported -----do--- 2, 116, 122

Total bituminous coal used -----do--- 344, 704, 107

Total coal imported is six-tenths of 1 per cent of the total bituminous coal used.

Yours, very truly,

S. D. WARREN & Co.

P. S.—The statistics used are based, first, upon the Treasury reports; second, upon a book entitled "The Coal Trade," by Frederick E. Saward, editor of the Coal Trade Journal.

TESTIMONY OF E. H. McCULLOUGH, OF PHILADELPHIA, PA., ADVOCATING A PROTECTIVE DUTY ON COAL.

THURSDAY, *December 10, 1908.*

(The witness was sworn by the chairman.)

Mr. McCULLOUGH. Mr. Chairman, I would like to say I am not here alone representing the Westmoreland Coal Company, but I have with me delegates representing practically the entire output of bituminous coal of Pennsylvania and West Virginia, representing approximately 200,000,000 tons of coal. Some of these gentlemen, I think, would like, with your kind permission, to say a few words when I finish the very few words I am going to say.

We were very much alarmed last week when we saw some suggestion in the newspapers that coal was to be placed upon the free list. We are very peculiarly situated in this country. We have on the northeast Nova Scotia, Cape Breton, with inexhaustible supplies of coal, and on the northwest Vancouver Island, which occupies the same position to the northwest that Nova Scotia does on the northeast. I had the honor of appearing before this committee in 1897 and testifying to what protection we required, and was able to state at that time that a year or so before we had a very long strike at our mines and we were under contract with some New England gas companies to supply them with coal, strike or no strike, and the result was they sent to Nova Scotia and got coal, and the experts had sat upon the question and decided that the economic value of Nova Scotia coal was 70 cents lower than that of the best American gas coals. At the present time Nova Scotia coal can be laid down in Boston at about \$3.50 a ton. Of course you understand that the Nova Scotia mines—that is, I should say the mines of Cape Breton—are close to the seaboard, the average freight being 75 cents

a ton, as against \$1.75 a ton from Pittsburg to Philadelphia. The water haul is about the same from Nova Scotia as from Newport News, in Virginia.

The CHAIRMAN. Do you happen to remember the year in which the duty was suspended on coal?

Mr. McCULLOUGH. It was the 11th of January, 1903.

The CHAIRMAN. The 11th of January, 1903, for one year?

Mr. McCULLOUGH. Yes. The result was that the imports of Nova Scotia coal were more than doubled in that period of twelve months.

Mr. COCKRAN. How much in tons did that amount to? What was the actual increase of importation?

Mr. McCULLOUGH. We will say that the imports rose from 700,000 tons to about 3,500,000 tons.

The CHAIRMAN. Are you not entirely mistaken about that?

Mr. McCULLOUGH. No, sir.

The CHAIRMAN. No; I see I have the wrong place in my book.

Mr. McCULLOUGH. They rose to about 3,500,000 tons, which was about double the amount that came in in the previous twelve months. As I was saying, the present price of Nova Scotia coal in Boston, according to the most recent information I could procure, is about \$3.50.

The CHAIRMAN. Of course these are fiscal years, ending the 30th of June?

Mr. McCULLOUGH. Yes.

The CHAIRMAN. For the year ending June 30, 1899, it was 1,040,000 tons. The next year it was 1,278,000 tons. In 1901 it was 1,374,000. In 1902 it was 1,347,000 tons. In 1903—that is, up to the 30th of June, six months of the period—it was 1,118,000, a falling off; and for the year 1904, up to the 30th of June, it was 416,000 tons. So the statistics actually show that there was less coal imported under the free clause for the year than there was in the previous year; and then when we get down again to the years 1906 and 1907 there is over a million tons imported again.

Mr. McCULLOUGH. My authority in this matter is The Coal Trade, which is very carefully compiled.

Mr. COCKRAN. There seems to have been an increase in the anthracite coal for 1903, which is remarkable.

The CHAIRMAN. You remember how that was. There was a very liberal interpretation as to what was anthracite coal.

Mr. COCKRAN. Yes; I remember.

Mr. DALZELL. We had that case before us.

Mr. GAINES. Below the figures you are reading I think you will find the duty remitted and the importations there for 1904.

The CHAIRMAN. Yes; that is correct. With the duty remitted there was 982,000 tons.

Mr. DALZELL. What are those figures?

Mr. McCULLOUGH. The figures according to Sayward's Coal Trade?

The CHAIRMAN. I am glad you called my attention to that. This is correct. There is the total below. For the year ending June 30, under the act of January 15, 1903, there was imported coal where the duties were remitted amounting to 698,000 tons, and in 1904 up to the 30th of June, with duties remitted under the act of June 15, 1903, there were imported 982,000 tons.

Mr. DALZELL. Let us get his figures.

Mr. McCULLOUGH. The figures given by the Coal Trade Journal, which is subject to the scrutiny of all coal men and is always pronounced to be correct, for the year ending June 30, 1902, amounts, for bituminous coal imported, to 1,941,120 tons. That was the importation. For the year ending June 30, 1903, during which time the duty was not in force, it was 3,610,225 tons.

Mr. COCKRAN. Where did you get those figures?

Mr. McCULLOUGH. I get these figures from the Coal Trade Journal, published annually by The Coal Trade, which is the leading coal paper in the United States relating to such matters. For the year ending June 30, 1902, the importation of bituminous coal into this country from all sources was 1,941,120 tons. Early in January the duty was remitted and the importation for the following twelve months, ending June 30, 1903, was 3,610,225 tons.

Mr. COCKRAN. Those figures are entirely different from what we have here.

Mr. DALZELL. You have to put together three different figures in what we have before us.

Mr. COCKRAN. It does not tally, even putting them together.

Mr. DALZELL. For 1903 it is 1,118,468 and 417,476 and 1,698,382.

Mr. GAINES. What were your figures, Mr. McCullough?

Mr. McCULLOUGH. Six million one hundred and ten thousand two hundred and twenty-five for the year ending June 30, 1903, and 1,941,120 for the year ending June 30, 1902.

Mr. FORDNEY. Have you the amount for the next year—1904?

Mr. McCULLOUGH. Yes, sir; the duty was replaced.

Mr. FORDNEY. Is that dollars or tons?

Mr. McCULLOUGH. Tons.

Mr. FORDNEY. You have half of the fiscal year ending June 30, 1904. Take any part of it.

Mr. McCULLOUGH. The fiscal year ending June 30, 1904, it was 1,946,322 tons, which is practically the same as the year before the duty was remitted.

Mr. FORDNEY. Yes. The fore part of the year 1903 is where the great change took place?

Mr. McCULLOUGH. Yes; between January and July.

Mr. FORDNEY. It almost doubled up.

Mr. McCULLOUGH. That is when the great demand came, and there was a great scarcity of coal.

Mr. UNDERWOOD. This item where the duty was remitted, the coal amounted in 1903 to 1,698,382 tons. Was not that coal imported mostly into Boston and the eastern ports at a time when there was a coal famine and the tariff was taken off entirely?

Mr. McCULLOUGH. Yes, sir; but your figures do not tally with mine.

Mr. UNDERWOOD. These are figures where the duty was remitted, the coal having been brought in under the name of anthracite, when it ought to have been classed as bituminous coal. The duty was remitted.

Mr. McCULLOUGH. Under this act of 1903 the duty on all coal was remitted. There was no tariff of any kind or description.

Mr. DALZELL. My figures are not far from yours. I make it 3,799,000.

Mr. COCKRAN. What do you make it, Mr. McCullough?

Mr. McCULLOUGH. I make it 3,625,000.

Mr. COCKRAN. That is near enough.

The CHAIRMAN. Proceed.

Mr. McCULLOUGH. We were talking about the present situation, and the very low rail transportation from Cape Breton and the corresponding boat transportation from Newport News. At the present time this Dominion coal can be laid down in Boston "alongside wharf," as it is called, at \$3.50 a ton. If you take 67 cents off of that, it would make the price \$2.83. The price of the best American coal at the present time, which is comparing brands, would be \$3.75 a ton.

Mr. COCKRAN. That is domestic coal?

Mr. McCULLOUGH. The best domestic coal against the best Nova Scotia coal.

Mr. COCKRAN. It would be how much?

Mr. McCULLOUGH. It would be \$3.75. Now, the economic value of our coal being placed at 70 cents higher, if the duty was off that would put the Dominion coal at about 18 cents below the economic value of the best domestic coals and will open the market wide to this coal coming in. Taking that duty off doubled their shipments in six months, and we claim that owing to this geographical disadvantage which we have, where we have to haul the coal anywhere from 350 to 400 miles, we need this protection.

The CHAIRMAN. When that coal came here in such large quantities with the duty off, it was just after a coal famine and the price of coal had gone up in the United States a dollar or two a ton, had it not?

Mr. McCULLOUGH. It had gone up considerably, but those people put their price up in a corresponding way. They simply put the price where the New England people would take it. They did not benefit particularly by it.

The CHAIRMAN. Yes; but there was a dearth of coal in the country?

Mr. McCULLOUGH. That was occasioned by the anthracite strike.

The CHAIRMAN. Yes; and the price was abnormally high here, and there was a great temptation to ship coal in.

Mr. McCULLOUGH. Yes; it was very high; but at the same time they could not ship it in until they took the duty off.

The CHAIRMAN. What part of that increased shipment under the act of January 15, 1903, came from Canada?

Mr. McCULLOUGH. Nearly all of it.

The CHAIRMAN. None from Great Britain?

Mr. McCULLOUGH. Some coal was brought in from Wales. They called it Welsh anthracite.

The CHAIRMAN. That was before we passed the act of January 15, 1903.

Mr. McCULLOUGH. No, sir; it was afterwards.

Mr. DALZELL. It was afterwards.

Mr. McCULLOUGH. There was no duty on anthracite coal at all.

The CHAIRMAN. We made all coal free. But that did not make any difference; whether it was anthracite or bituminous coal, under the act of January 15, 1903, it all came in free, did it not?

Mr. McCULLOUGH. Yes; it all came in free.

The CHAIRMAN. It was previous to that and during the coal strike that the department made what was called a very liberal interpretation, and they brought in coal that had been known as bituminous coal as anthracite coal. That came from Wales?

Mr. McCULLOUGH. Yes, sir.

The CHAIRMAN. In considerable quantities. I have the figures here. But after we passed the act of January 15, 1903, there was no question about those coals from Great Britain, that they should come in free from Wales. Are you able to say what proportion of the coals imported under the act of January 15 free of duty for the year came from Canada and what from Wales or other countries?

Mr. McCULLOUGH. I would say that nine-tenths of the coal came from Canada.

The CHAIRMAN. Nine-tenths of it?

Mr. McCULLOUGH. At least nine-tenths.

The CHAIRMAN. Another question, What is the quality of the Canadian coal as compared with our coal?

Mr. McCULLOUGH. I just stated that they put what you might term the economic value of the Dominion coal—that is, Nova Scotia coal—at 70 cents a ton less than that of the best of our coal.

The CHAIRMAN. Seventy cents a ton less?

Mr. McCULLOUGH. The Dominion coal is sulphurous, and is not of good quality. It shows a large amount of ash. But there is a certain point where you can bring coal together, and you can almost sell mud as coal if you sell it cheap enough.

The CHAIRMAN. The economic value of that coal is less?

Mr. McCULLOUGH. Yes; it is so stated by the experts.

Mr. COCKRAN. You state that the value of domestic coal at Boston is \$3.75 a ton?

Mr. McCULLOUGH. That is the present price.

Mr. COCKRAN. That is what you sell it at?

Mr. McCULLOUGH. Yes.

Mr. COCKRAN. What does it cost you to produce it? What does it cost you, I mean, laid down in Boston?

Mr. McCULLOUGH. I suppose it costs us about \$3.60.

Mr. COCKRAN. So that your profit is 15 cents a ton on that?

Mr. McCULLOUGH. Yes; I think any bituminous operator who makes 15 cents a ton on his output thinks he is doing extremely well.

Mr. DALZELL. Under existing conditions what coal supplies the New England market?

Mr. McCULLOUGH. The New England market took last year 600,000 tons of Nova Scotia coal even at the disadvantage in quality. The rest of the coal, some of it is shipped from Philadelphia, Pennsylvania coals, and a great deal is shipped from Newport News, from Lamberts Point, and some from Baltimore, and some from New York. Pennsylvania and Virginia supply the New England market.

Mr. COCKRAN. How many tons do they send to New England as compared to Canada?

Mr. McCULLOUGH. I have not that figure, so that I would be guessing if I undertook to tell you.

Mr. COCKRAN. Have you any idea what the output and consumption of domestic coal is in the country altogether?

Mr. McCULLOUGH. In the country?

Mr. COCKRAN. Yes.

Mr. McCULLOUGH. Yes, sir; I can tell you that for the year 1907. The total output of coal for the whole of the year 1907 was 383,000,000 tons of bituminous and 77,000,000 tons of anthracite, making a total of 477,000,000 tons of coal produced in the country.

Mr. COCKRAN. And except for the New England market the domestic coal constitutes the entire supply of the country, does it not?

Mr. McCULLOUGH. Yes. There is some Australian coal brought into San Francisco and some Vancouver Island coal sent to Puget Sound for Tacoma and Seattle and places of that kind.

Mr. COCKRAN. The Pennsylvania and West Virginia coal mines, of course, have a more convenient access to New England than the Birmingham coal mines?

Mr. McCULLOUGH. Birmingham does nothing with New England, so far as I know.

Mr. COCKRAN. Yes; and the Pennsylvania and West Virginia coal mines have as much advantage over the Alabama output as Canada has over you, so far as the New England market is concerned?

Mr. McCULLOUGH. They have their own markets—legitimate markets—and we have ours.

Mr. COCKRAN. "Legitimate" is an adjective, and it is sometimes elastic. The point I want to get is this: You here have a market in this country for 470,000,000 tons of coal.

Mr. McCULLOUGH. All kinds of coal.

Mr. COCKRAN. And now I understand you want this duty maintained so as to get those 600,000 tons additional. That is, you want to impose a tariff tax all over this country so as to get the right to dispose of and control this market of 600,000 tons?

Mr. McCULLOUGH. I did not say 600,000 tons. I said that was the amount of Nova Scotia coal that goes into Boston alone.

Mr. COCKRAN. There is no other product that goes in there, is there?

Mr. McCULLOUGH. No, sir; on account of the tariff.

Mr. COCKRAN. I understand that.

Mr. McCULLOUGH. But I suppose if the tariff was removed, instead of being 600,000 tons it would be 16,000,000 tons, or something of that kind.

Mr. COCKRAN. Why do you think that, in view of the fact that with the coal tax off and an extraordinary demand for coal in this country the most that ever came in was 3,000,000 tons?

Mr. McCULLOUGH. It takes time. Trade is a thing that cuts a very deep channel, and it takes time for business to readjust itself. Those people, I suppose, had not the productive capacity. They boomed up their capacity to double what it was inside of six months, as you can see from the figures. It is like a plant of slow growth. It would ultimately drive us out.

Mr. COCKRAN. That amount would be 4 per cent of the entire production if they sent here 16,000,000 tons. Assume that your worst apprehensions are realized, it would amount to 4 per cent of the total consumption.

Mr. McCULLOUGH. The internal consumption is not affected by the tariff one way or another.

Mr. COCKRAN. I understand that, but I merely wanted to get what your proposal to this committee is. With the present tariff, 600,000 tons come in. With the tariff remitted, 3,000,000 tons came in.

Mr. McCULLOUGH. Three million six hundred thousand tons.

Mr. COCKRAN. You apprehend that if the tariff is remitted 16,000,000 would come in. Now, granting that your apprehensions should form the basis of our tariff legislation, the amount that you

want to keep up by this tariff is just a little less than 4 per cent, about $3\frac{1}{2}$ per cent, of the total consumption of the country?

Mr. McCULLOUGH. Yes; something like that.

Mr. COCKRAN. That is the point I had in mind.

Mr. DALZELL. What company did you say you represented?

Mr. McCULLOUGH. The Westmoreland Coal Company.

Mr. DALZELL. I put in the record a letter sent me by a large number of large coal companies of western Pennsylvania, which calls for reciprocal free coal with Canada. Is that your attitude?

Mr. McCULLOUGH. That is the point I was just about to touch upon and I was very glad that this discussion was had, because it leads up most thoroughly to what I had to say. We will assume that you do put our coal on the free list. We feel that we are entitled to a quid pro quo.

Mr. DALZELL. That is the point I had in mind.

Mr. McCULLOUGH. We supply the Province of Ottawa almost entirely with their coal, and they have a duty equivalent to 60 cents. It is 53 cents on 2,000 pounds, which is equal to 60 cents per gross ton, and our duty is 67 cents.

The CHAIRMAN. Anthracite coal?

Mr. McCULLOUGH. No; neither country charges any duty on anthracite coal. We claim if our New-England market is to be destroyed by the abolition or reduction of the tariff, that we should never for one moment lend ourselves to anything of that kind unless Canada meets us half way and says: "Gentlemen, you take your duty off and we will take ours off." Then we will be able to take care of ourselves. But to have our New England market destroyed and get nothing for it I do not think would be at all in line with the policy of this country.

Mr. DALZELL. That would give the Canadian market to western Pennsylvania, Ohio, and West Virginia. How would that affect the market for western coal, away out in Wyoming, that has to compete with British Columbia?

Mr. McCULLOUGH. It would have just about the same effect. The only concerns that I think would be affected are the miners of coal in the State of Washington. Vancouver Island coal is very excellent in quality, and, as you doubtless remember, Vancouver Island comes down considerably south of the southern line of that country. In fact, it almost fills in the head of Puget Sound. They can put their coal in at Tacoma and Seattle and other points along the line of Puget Sound, and I think it would injure the western operators and also would probably benefit the Australian operators to some extent who send coal to San Francisco for bunkering purposes. In San Francisco they run their stationary engines and everything else on black oil, but there is an immense amount of bunkering coal in San Francisco.

Mr. HILL. Would it not help the Newcastle mines and give them a market up there?

Mr. McCULLOUGH. Do you mean Newcastle, England?

Mr. HILL. No; in Wyoming.

Mr. McCULLOUGH. I am not able to express an opinion on that of any value. I tried to get somebody to come here out of that region and give the committee the benefit of their experience, but nobody seemed able to come.

Mr. HILL. I want to say that when we passed the act of January 15, 1903, the people in the State of Wyoming were very apprehensive about the effect of that, and I was afterwards informed that for some reason or other the freight rates went up, but the Dominion coal did not come into Wyoming or interfere with their business during the year.

Mr. McCULLOUGH. I fear that times have changed.

Mr. HILL. It is simply a coincidence.

Mr. FORDNEY. Did I understand you to say that there are large quantities of coal going into San Francisco?

Mr. McCULLOUGH. No; because the bunkering demand is limited. There is no use for coal there. They run their locomotive and stationary engines with oil, which is very cheap, but there is some little coal goes to San Francisco from Washington. That is a State where they produce about 3,000,000 tons of coal per annum. A great deal goes there from Vancouver Island and some little from Australia. In fact, for some purposes they ship Georges Creek coal around from Baltimore to San Francisco for smithing purposes.

Mr. FORDNEY. If this change were made the Vancouver coal, owing to the cheaper freight rate from Vancouver to San Francisco, would go in there and the Washington coal could not get into San Francisco?

Mr. McCULLOUGH. I believe it would be barred. There was a gentleman here at the hearings of 1893 who declared that if the tariff was removed it would destroy the American coal trade in San Francisco.

Mr. FORDNEY. Does the cost of the labor enter into this?

Mr. McCULLOUGH. The Japanese contract labor is what we have to contend against, both in the Vancouver mines and in the Crows Nest, Pass mines.

Mr. CRUMPACKER. That is Japanese contract labor?

Mr. McCULLOUGH. Yes.

Mr. CRUMPACKER. At low wages?

Mr. McCULLOUGH. Yes; very low. I do not know what they are.

Mr. CRUMPACKER. If we had free trade with Canada, and Canada followed us on the coal proposition, the chances are that it would give us as much of a market as we would lose elsewhere, would it not?

Mr. McCULLOUGH. That is my judgment, that we would just about make up what we would lose.

Mr. CRUMPACKER. We would undoubtedly lose a great deal to the east of Cape Cod, but I believe we could make it up in the Province of Ottawa and at other points. The price of coal on the Atlantic coast would be a little lower to the consumer?

Mr. McCULLOUGH. It would be impossible for us to make any lower prices on the present rate of wages.

Mr. CRUMPACKER. But you feel that with free trade you would lose the New England market largely?

Mr. McCULLOUGH. To some extent.

Mr. CRUMPACKER. Because the price would be lower?

Mr. McCULLOUGH. The Nova Scotia price could be put at such a figure that the economic value of their coal would stand the New England consumer about 18 cents a ton less than our price at the present time, and it would be a temptation to them, of course, to buy that coal.

Mr. CRUMPACKER. We sell Canada now something over \$6,000,000 worth a year of coal, with a tariff of 60 cents a ton?

Mr. McCULLOUGH. Yes, sir.

Mr. CRUMPACKER. And that market could be extended if we had reciprocal free trade?

Mr. McCULLOUGH. It seems to me if Congress takes the duty off of American coal they certainly should not do it unless Canada takes it off of her coal. In fact, I think a bill should be drafted making provision for such a reciprocal arrangement.

Mr. BONYNGE. You are referring to the Pennsylvania coal operators and not to the western operators when you say we would gain as much as we would lose?

Mr. McCULLOUGH. West Virginia, Pennsylvania, Ohio, Indiana, and Illinois; all regions shipping coal into Canada.

Mr. BONYNGE. What the effect would be on the western operators you are not prepared to say?

Mr. McCULLOUGH. No, sir. However, my opinion is that the little trade that the State of Washington has in San Francisco would be destroyed. They hold their position with great difficulty now.

Mr. GAINES. Do you speak with authority for anybody in the Chesapeake and Ohio field and the New River coal field?

Mr. McCULLOUGH. I had some conversation with Mr. Bullitt the other day.

Mr. GAINES. That would be the Norfolk and Western?

Mr. McCULLOUGH. Yes.

Mr. GAINES. The situation is similar to that in the New River field?

Mr. McCULLOUGH. Yes.

Mr. GAINES. What did Mr. Bullitt say?

Mr. McCULLOUGH. He said that he was a Democrat, and he would not come down here. [Laughter.]

Mr. GAINES. Does that mean that Mr. Bullitt did or did not have any opinion on the matter?

Mr. McCULLOUGH. He had precisely the same opinion that I had.

Mr. GAINES. Then you understood from Mr. Bullitt that he was in favor of reciprocal free coal as to the Norfolk and Western?

Mr. McCULLOUGH. I did not ask him the question. I only asked him what effect the duty would have on the New England market.

Mr. GAINES. I ask you these questions because I come from West Virginia myself, and I have not heard from those people definitely, and I wanted to know what their knowledge of the coal field leads them to.

Mr. McCULLOUGH. We have a gentleman here from West Virginia.

Mr. GAINES. Where is your mine?

Mr. McCULLOUGH. Westmoreland County, Pa.

Mr. GAINES. How far is that from Pittsburg?

Mr. McCULLOUGH. Twenty miles east of Pittsburg.

Mr. GAINES. What is your rate to the Lakes?

Mr. McCULLOUGH. I think the rate is 85 cents. We ship practically nothing to the Lakes, and when we do ship there we sell f. o. b. mines; but I think the rate is 85 cents. There are several gentlemen here who can answer that question.

Mr. GAINES. Your Lake rate is 85 cents?

Mr. McCULLOUGH. I do not say that positively. I am not sure about that.

Mr. GAINES. How do you propose, if we have reciprocal free coal with Canada, to get your coal to Canada; by an all-rail haul?

Mr. McCULLOUGH. There are half a dozen ways of getting it there. You can take it across the river at the International Bridge—that is, across the Niagara River, across the suspension bridge—or you can ship it across in cars from Conneaut. There are half a dozen ways.

Mr. GAINES. By water or by ferrying the cars across the river?

Mr. McCULLOUGH. By boat, by ferry, or by bridges. There are three ways of getting it into Canada.

Mr. GAINES. What would be your rate?

A BYSTANDER. Eighty-eight cents is the Lake rate.

Mr. McCULLOUGH. I thought it was 85 cents.

Mr. GAINES. What would that make your rate to the Canadian territory that you want to make such an arrangement with?

Mr. McCULLOUGH. That would depend on the way it is sent. For instance, if you sent coal from our mines to Toronto, I think the freight rate is \$1.71 by rail. That I am not sure of.

Mr. GAINES. What is your New England rail rate? Do you have any all-rail rate to New England?

Mr. McCULLOUGH. Yes; we send coal up to within perhaps 20 miles of the seaboard. Otherwise we ship, for instance, to Boston or Portland or Lynn or any of those places. It is sent to Greenwich. That is the shipping point of Philadelphia. Then it is transhipped into boats.

Mr. GAINES. What is your rate to Philadelphia?

Mr. McCULLOUGH. One dollar and fifty cents.

Mr. GAINES. What is your barge rate or vessel rate from there?

Mr. McCULLOUGH. That is a varying quantity, depending upon the season of the year and the demand for barges. I suppose it would run from perhaps 50 cents as an extreme minimum up to \$1, which is a fair maximum.

Mr. GAINES. Did you give me the all-rail rate from New England to your mines?

Mr. McCULLOUGH. No; I do not know what it is.

Mr. GAINES. Have you an analysis of the Nova Scotia coal?

Mr. McCULLOUGH. I have not got it with me.

Mr. GAINES. Unless somebody else should put such an analysis into the record to-day, will you furnish one to the committee?

Mr. McCULLOUGH. Yes, sir; I will. I can furnish you with a number of them, and also with an analysis of our coals, and nearly every other American coal.

Mr. GAINES. We would like to have the comparison. I would like also to have a comparison of the Nova Scotia coal and your coal, for instance, in British thermal units.

Mr. McCULLOUGH. Yes; I can give you that.

Mr. GAINES. What section of Canada is it that you expect to ship your coal to under such arrangements, preferably in large quantities? I do not mean an occasional shipment, but where do you expect to ship in large quantities?

Mr. McCULLOUGH. From Montreal on the extreme east to any distance in the west you can think of, Winnipeg or any other place that comes within our scope.

Mr. GAINES. As you have contemplated this proposition of reciprocal free coal, what has been your view of the matter, that you

would ship there for domestic purposes or for manufacturing purposes?

Mr. McCULLOUGH. We would ship for domestic and manufacturing purposes, both.

Mr. GAINES. In other words, that the Canadian manufacturing would be largely stimulated in that section of Canada?

Mr. McCULLOUGH. That is what the Canadians claim, that if they got more coal they could manufacture more goods and the population would expand more rapidly and the country would be benefited by it. But if you go down to Nova Scotia you find that the people there are, of course, intensely high-tariff people. You go to the Province of Ottawa, where they have to get their coal all from the United States, and they are free traders. The tariff is, as old General Hancock said, purely a local issue.

Mr. GAINES. Is anthracite coal free in Canada now?

Mr. McCULLOUGH. Yes.

Mr. GAINES. That is all I have to ask.

Mr. DALZELL. I have a letter this morning signed by a gentleman who is the head of the Pittsburg-Westmoreland Company.

Mr. McCULLOUGH. The Pittsburg-Westmoreland?

Mr. DALZELL. Yes; with a hyphen between the two names. Is that your company?

Mr. McCULLOUGH. No; I have no connection with it.

Mr. DALZELL. He is also in favor of reciprocal free coal.

Mr. McCULLOUGH. He filed a brief about two years ago.

Mr. DALZELL. That is what I put in the record the other day.

Mr. McCULLOUGH. I noticed it was in the record, and I simply cite that as being the opinion.

Mr. DALZELL. I notice how much depends on the point of view. This party says:

The demand for coal in Canada comes largely from a territory which would be naturally supplied by western Pennsylvania and eastern Ohio, and the up-building and general development of that part of Canada will depend somewhat on its facilities for securing our coal.

On the other hand, we have several letters, which are in the record, from parties in New England, who want free coal on the ground that we want to exhaust Canada of her supply and save our own.

Mr. McCULLOUGH. That is a very ingenious argument, but I do not think there is anything in it.

Mr. UNDERWOOD. I would like to ask you a few questions about the production of your coal. How do you estimate your coal, by the long ton or the short ton, in Pennsylvania?

Mr. McCULLOUGH. West of the Alleghenies on the short ton. That is, we pay our wages on the short ton, and everything of that kind; but in the East it is all on the long ton.

Mr. UNDERWOOD. Your mines are located west of the Alleghenies?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. What do you pay your miners per ton for mining coal?

Mr. McCULLOUGH. Seventy-five cents a ton of 2,000 pounds.

Mr. UNDERWOOD. Is that the run of the mine?

Mr. McCULLOUGH. No; that is three-quarter inch coal.

Mr. UNDERWOOD. Three-quarter inch coal?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. That makes it suitable for every sort of domestic purposes?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. What are the other charges of cost that you charge against that ton of coal besides labor to bring it to the tippie?

Mr. McCULLOUGH. Of course, in all coal mines the amount of money paid to the digger has a very limited relation to the cost of the coal.

Mr. UNDERWOOD. That is what I wanted to bring out.

Mr. McCULLOUGH. You have got to pay your wages and pay for the material used in the mines and the posts, which are getting to be a very burning question at the present time, and the cost of which runs close to 5 cents a ton on the cost of production now. Then you have to supply air to the men and run your pumps, and a thousand and one things; in addition to which, of course, no well-managed concern undertakes to mine their coal and not make some allowance for exhaustion.

Mr. UNDERWOOD. For what?

Mr. McCULLOUGH. For the exhaustion of the coal. Of course, if you made no allowance for that, when you got through you would have nothing but a hole in the ground to represent your capital.

Mr. UNDERWOOD. You have got to charge a royalty?

Mr. McCULLOUGH. Yes; precisely.

Mr. UNDERWOOD. What do you estimate the cost at your mine—the cost outside of the labor cost of 75 cents to the miner to bring that coal to the tippie; I mean to the tippie where you put it into the car for shipment?

Mr. McCULLOUGH. I could answer that question better if I had the cost sheet here, which I have not; but allowing 75 cents for 2,000 pounds, and royalty, at the mines it costs us \$1.29 a gross ton.

Mr. UNDERWOOD. That is f. o. b. cars for shipment?

Mr. McCULLOUGH. That is on the car after paying all expenses at the mine, and not charging anything for what you might call general office expenses. That is to come off what you can make above the mining cost.

Mr. UNDERWOOD. What would you say was a general average estimate of the office expenses?

Mr. McCULLOUGH. Office expenses and rentals and things of that sort would run a cent and a half a ton.

Mr. UNDERWOOD. That would make it a dollar thirty to a dollar thirty-one and a half cents?

Mr. McCULLOUGH. One dollar and thirty-one cents.

Mr. UNDERWOOD. The balance of the cost of the figures you gave to lay it down in New England were freight charges?

Mr. McCULLOUGH. One dollar and fifty cents to the railroad, and an estimate of 75 cents for boat freights.

Mr. UNDERWOOD. Now, do you know anything about the Nova Scotia mines or the Canadian mines?

Mr. McCULLOUGH. I know all about the Nova Scotia mines, because I have been there.

Mr. UNDERWOOD. What is the amount paid the miner in Nova Scotia?

Mr. McCULLOUGH. When I was there, which was about seven years ago, they were paying exactly the same rates of wages that were being

paid in the Pittsburg district at that time, and I have been told by, I think, reasonably good authority, that in a way they follow the Pittsburg rates. They are arranged every two years by the convention of the United Mine Workers and the operators.

Mr. UNDERWOOD. The United Mine Workers are organized in Nova Scotia as well as in Pennsylvania?

Mr. McCULLOUGH. They have an organization there; yes, sir; and, as I say, in a general way their wages are the wages of western Pennsylvania.

Mr. UNDERWOOD. Your mines in Pennsylvania are mostly shaft mines, are they not? You do not drift?

Mr. McCULLOUGH. We have a variety of mines. We have several shafts. We have several stopes, as they are called, where you go down onto the vein of coal, and one or two mines where you go directly into the hill.

Mr. UNDERWOOD. Which do you consider the most expensive mine?

Mr. McCULLOUGH. The shaft mine.

Mr. UNDERWOOD. And a great many of your mines are shaft mines?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. The estimate of cost you gave here was on the shaft mine?

Mr. McCULLOUGH. No; the general cost.

Mr. UNDERWOOD. The general cost?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. What class of mining is it in Nova Scotia?

Mr. McCULLOUGH. They are stopes.

Mr. UNDERWOOD. All stopes?

Mr. McCULLOUGH. Nearly all.

Mr. UNDERWOOD. That would make it a little less expensive?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. Are they surface drained?

Mr. McCULLOUGH. No, sir; I do not think there are any mines now above water level.

Mr. UNDERWOOD. As to pumping out the mines, are they any more favorably situated than the Pennsylvania mines?

Mr. McCULLOUGH. I do not know how they are this year. We have been absolutely drowned out. I have heard of cases where they are paying as high as \$1.50 a thousand gallons of water to run the pumps. How Nova Scotia is fixed I do not know this year.

Mr. UNDERWOOD. That is an abnormal situation?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. But, generally speaking, how is it?

Mr. McCULLOUGH. The conditions are no better than ours are.

Mr. UNDERWOOD. What is the additional cost of mining there along the same line you gave me at your mines?

Mr. McCULLOUGH. You know the Nova Scotia coal deposits are owned by the Dominion government, and I believe the royalty they pay is about 50 cents a ton. It would be that additional cost per contract. Instead of paying \$1.50 a ton freight, they pay 75 cents.

Mr. UNDERWOOD. I wanted to eliminate the freight rate and get to that afterwards.

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. I wanted the cost at the mine. I wanted your judgment as to what the other cost at the mines was; outside of the

75 cents for labor for mining, what do you estimate the other costs at the Nova Scotia mines?

Mr. McCULLOUGH. The only other cost, provided I am correct about the rate of wages, would be caused by the fact that they pay more royalty than we credit.

Mr. UNDERWOOD. Then their cost at the mine would be about \$1.40, as compared to \$1.30 in Pennsylvania?

Mr. McCULLOUGH. I should think so.

Mr. UNDERWOOD. So that at the mine the Pennsylvania coal operator has the advantage, at the mouth of the mine?

Mr. McCULLOUGH. A small advantage; yes, sir.

Mr. UNDERWOOD. Now, you say the difference in the freight rate is that it costs you about \$2.25 a ton to reach the New England market, and it costs them 25 cents a ton?

Mr. McCULLOUGH. No; it costs them 25 cents plus 75 cents. It costs them a dollar, coupling the rail and boat freights together.

Mr. UNDERWOOD. Seventy-five cents is the rail freight for that?

Mr. McCULLOUGH. That is the boat freight.

Mr. UNDERWOOD. The boat freight?

Mr. McCULLOUGH. The average rail freight when I was up there was 25 cents a ton to the seaboard.

Mr. UNDERWOOD. Yes; and 75 cents for the boat freight?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. Making altogether a dollar a ton?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. Then as to the freight, they have an advantage of \$1.25 a ton freight?

Mr. McCULLOUGH. That is right.

Mr. UNDERWOOD. That condition exists purely for the New England market, does it not? I mean that their relative advantage only relates to the points where they can get in with this cheap water rate.

Mr. McCULLOUGH. Yes; I do not think they could penetrate inland to any great extent.

Mr. UNDERWOOD. And the tariff is not a tariff to protect labor, or the cost of production, but it is practically a differential to protect railroad and water freights?

Mr. McCULLOUGH. I would say it was something to protect labor very largely. Of course we can not be driven out of any market without a struggle.

Mr. UNDERWOOD. Yes, I understand; but the real difference is not the cost of labor or the cost of production, but the real difference is the difference of freight rates?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. And you think if we put a duty on here with something like a high enough duty to make Canada agree to a maximum and minimum of free trade, and by that means could secure absolute free trade between this country and Canada, taking the United States as a whole, it would be beneficial?

Mr. McCULLOUGH. That is my opinion.

Mr. UNDERWOOD. That is all.

The CHAIRMAN. Supposing that the committee should adopt the suggestion of the miners of western Pennsylvania and put coal on the

free list, what in your opinion ought to be done with coke, which now bears a duty of 20 per cent ad valorem?

Mr. McCULLOUGH. Well, I do not know. I am not in the coke business, Mr. Chairman, so that I can not answer the question. I do not know the conditions governing the coke market at all. Of course I know they do manufacture coke in Nova Scotia.

Mr. DALZELL. We do not export coke to Nova Scotia, do we?

Mr. McCULLOUGH. No; they make their own coke.

The CHAIRMAN. We import hardly any coke.

Mr. McCULLOUGH. Yes; very little.

The CHAIRMAN. Very small quantities.

Mr. McCULLOUGH. Yes.

The CHAIRMAN. I was not speaking of the reciprocal part of it so much as I was the duty on coke.

Mr. McCULLOUGH. I can not answer that. I have no personal knowledge about it.

The CHAIRMAN. As I understand, you made the cost of the Nova Scotia coal at Boston about \$2.40 a ton.

Mr. McCULLOUGH. Two dollars and forty cents to \$2.50, duty off?

The CHAIRMAN. I notice the Government reports put it all over \$3. The custom-house reports put it all over \$3.

Mr. McCULLOUGH. Is not that including the duty?

The CHAIRMAN. No; before the duty is paid.

Mr. McCULLOUGH. The present quotation for the best grades of coal in Boston is \$3.50. That would bring down the value of the coal, alongside dock, duty unpaid, to \$2.83.

The CHAIRMAN. For every year since 1898 the price has been over \$3, running from \$3 up to \$3.37. During the Wilson bill it ran down lower than that, as low as \$2.43, but since that time, for the last twelve years, the importing price has been over \$3, according to the government reports, ready for the payment of the duty.

Mr. BOUTELL. How long have we been importing coal from Australia to the Pacific coast?

Mr. McCULLOUGH. That question I can not answer, although it was being done, I know, in 1893, because, as I say, that gentleman came from San Francisco to describe the difficulties of contending with Australian coal.

Mr. BOUTELL. Then I suppose you do not know anything about the Australian freight rates or the cost of labor?

Mr. McCULLOUGH. I do not.

Mr. BOUTELL. Do I understand you to favor the retention of the present duty, or a reciprocal free-coal arrangement with Canada? Which of the two propositions do you favor?

Mr. McCULLOUGH. Personally I am what they call a "standpatter." I would not care to see the duty disturbed in any way; but if it is, I am emphatically of the opinion that it should not be done unless Canada meets us halfway.

Mr. BOUTELL. Of the two propositions you would prefer the retention of the present rate of duty?

Mr. McCULLOUGH. With my present lights; yes, sir.

Mr. BOUTELL. In answer to a question propounded to you by Mr. Underwood, I understood you to say that it would be for the best interests of the country as a whole that we should have a free-coal reciprocal arrangement with Canada?

Mr. McCULLOUGH. I could not answer for the coal operators of Washington State.

Mr. BOUTELL. Or of the Central West or the Rocky Mountain districts?

Mr. McCULLOUGH. I do not think it would hurt them at all.

Mr. BOUTELL. You do not think it would hurt them?

Mr. McCULLOUGH. No, sir.

Mr. BOUTELL. Or those in the Wyoming or Colorado coal fields?

Mr. McCULLOUGH. They would not be affected one way or another. It is too far away. There are very good coal mines in British Columbia, at Crows Nest Pass, but I think it is pretty nearly all used on their own railroads, and for their own purposes.

Mr. BOUTELL. But you think it would be injurious to the coal operators of Washington?

Mr. McCULLOUGH. I think so; yes, sir.

Mr. NEEDHAM. Where do the coals from the fields of the State of Washington go?

Mr. McCULLOUGH. A good deal of it goes to San Francisco and a good deal of it is taken for local consumption. There is much Australian coal used there.

Mr. NEEDHAM. It is all consumed in that section?

Mr. McCULLOUGH. I think so. They do not export much of it, because the Vancouver Island coal can be mined cheaper and it is better coal.

Mr. NEEDHAM. How does the quality of the Washington coal compare with the Australian coal?

Mr. McCULLOUGH. The Australian coal is the best in the world for making gas. It has less ash. It has driven us out of South Africa altogether.

Mr. HILL. As a matter of fact they do not compete?

Mr. McCULLOUGH. Scarcely any.

Mr. HILL. Does not the Australian coal sell in San Francisco for more than double the price of the Washington coal?

Mr. McCULLOUGH. I do not know what the prices are there.

Mr. HILL. What did you say was the price of the Nova Scotian coal delivered in Boston?

Mr. McCULLOUGH. Three dollars and fifty cents alongside.

Mr. HILL. I find that in 1903, when we began to import, the prices were \$3.30 for Nova Scotian coal, and that the export rose from 5,000,000 tons to nearly 9,000,000 tons in 1904. The prices had gone down from \$2.78 to \$2.50, delivered in Boston. During the coal famine we exported more than we imported.

Mr. McCULLOUGH. It was high-grade steam coal.

Mr. HILL. Are not the Nova Scotian mines owned largely in Boston?

Mr. McCULLOUGH. There is considerable Boston capital in the Dominion Coal Company, but I think the majority of it is owned in the Dominion.

Mr. DALZELL. Where is the market for Wyoming coal?

Mr. McCULLOUGH. It is largely local. Some of it goes across the border.

Mr. DALZELL. Into Canada?

Mr. McCULLOUGH. Yes; into some of the southern Provinces of the Dominion. I do not remember the names.

Mr. DALZELL. It does not go out as far as the Pacific coast?

Mr. McCULLOUGH. No, sir.

Mr. FORDNEY. In your opinion, would the price to the New England consumer be reduced by this reciprocal trade arrangement that you suggest between the United States and Canada?

Mr. McCULLOUGH. It would be slightly reduced.

Mr. FORDNEY. It could not be reduced until the Nova Scotians had driven you out of the New England market, could it?

Mr. McCULLOUGH. It would be automatic, so to speak. They would reach in and reduce prices by 67 cents per ton, which would drive us out in spite of ourselves.

Mr. FORDNEY. With a profit to you of only 15 cents per ton, you could not be driven out of that market until they got a supply, because they could not furnish the coal until they increased their supply.

Mr. McCULLOUGH. Trade cuts channels, and it takes some time to divert trade. It would take two or three years before that would happen. They would have to increase their capacity considerably.

Mr. FORDNEY. Finally, when we removed the duty from the coal, the New Englander would buy that much cheaper, and thus give up the New England market for the market in Canada.

Mr. McCULLOUGH. No; I would not say that. We would not give up without considerable of a struggle. In Pennsylvania and West Virginia there are 200,000,000 tons of coal produced per annum, and we are paying enormously high wages. Wages would be the first thing to suffer, because we would have to insist on lower prices. We would say to the laboring people that they would have to work for less money.

Mr. FORDNEY. Labor would be the first to receive the reduction?

Mr. McCULLOUGH. You must not figure that capital must have nothing, because capital is getting very little now. It is down to almost nothing.

Mr. FORDNEY. If you retained the New England market, with the duty on coal as it is to-day, you could pay labor the same price that you are paying now?

Mr. McCULLOUGH. Yes. There is no intimation of reducing wages. We are satisfied with a small profit, and the miner is satisfied with his big pay. We have not had a hitch in our region for more than a year.

Mr. UNDERWOOD. What percentage of the products of your mine is going to New England, and what percentage is retained?

Mr. McCULLOUGH. I could not answer that without access to the figures. I would not like to hazard a guess. It is a small end of the business.

Mr. UNDERWOOD. You mean that portion going to the New England market?

Mr. McCULLOUGH. Yes, sir.

Mr. UNDERWOOD. You have a market in Pennsylvania; and Pennsylvania would not be affected by the Canadian coal?

Mr. McCULLOUGH. They would be along the seaboard.

Mr. UNDERWOOD. But in the interior they would not be?

Mr. McCULLOUGH. No.

Mr. UNDERWOOD. Therefore if this were put on it would only affect a small portion of your business by the change?

Mr. McCULLOUGH. In the coal business it does not take much percentage to effect a change. The only way to make money is to distribute the fixed charges if you increase the cost of the material.

Mr. UNDERWOOD. The percentage of the new market with which you would have to compete would bring up your present standard?

Mr. McCULLOUGH. That is correct.

The CHAIRMAN. What would happen if we would put coal on the free list? You would not undertake to withdraw?

Mr. McCULLOUGH. We would be driven out.

The CHAIRMAN. You do not expect to be driven out?

Mr. McCULLOUGH. I think we would be driven out in the course of time.

The CHAIRMAN. You would not be if the government statistics are right in reference to the price of coal.

Mr. McCULLOUGH. I would rather take my own experience than to take any government report.

Mr. GAINES. You were asked in reference to the importation of Nova Scotia coal during the time we had coal on the free list, and you answered that it took time for trade to readjust itself. Don't you think it would be much more accurate to say that in the space of a year new mines could not be developed? Instead of trade following the tariff the fact was that Nova Scotia presumably was selling her output, as she had no surplus and could not get one in one year's time.

Mr. McCULLOUGH. I do not think that that is quite it. I think that her productive capacity was great, and it is still far ahead of her market. The big business was in the season of 1903. It only takes a short time to develop it from a slope, but it will take a year or two years with the shift. You can not bring it up to its full productive capacity on account of the narrow work. The entrance prevents its being done, even if you had three years. The progress is slow and you can not produce the coal until you get the narrow work completed.

Mr. GAINES. I understand that; and that is the reason I asked the question. Then you assign as a reason for not having greater importations in 1903 and 1904 the fact that it takes a longer time than the time when coal was on the free list to develop the mines?

Mr. McCULLOUGH. The market was there and they sold more than if there had been competition.

Mr. FORDNEY. In reference to these high prices prevailing in 1903, were they early in the spring or late in the winter of 1903.

Mr. McCULLOUGH. Things began to be normal about the middle of 1903—I mean relatively normal. The anthracite people put up prices about \$1 per ton. The bituminous industry can not do that. In the bituminous mines it is every man for himself. That regulates the prices in the bituminous mine.

Mr. FORDNEY. Matters became normal about March or April?

Mr. McCULLOUGH. I think it was about the middle of the summer.

Mr. HILL. I think you said that the labor cost is substantially the same as it is in Pennsylvania, being controlled by the United Mine Workers?

Mr. McCULLOUGH. Yes.

Mr. HILL. Is not the question of labor a greater part of the cost?

Mr. McCULLOUGH. No.

Mr. HILL. Is not coal exported to Canada?

Mr. McCULLOUGH. We do not sell any ourselves.

Mr. HILL. Do you know what the price is?

Mr. McCULLOUGH. I do not.

Mr. HILL. You simply know the import price at Boston?

Mr. McCULLOUGH. Yes, sir.

Mr. HILL. Do you think the amount as stated in the customs report is fair?

Mr. McCULLOUGH. But you must remember that in sending it into Canada they have two duties.

Mr. HILL. I know, but the United States statistics give the value of it when exported to Canada.

Mr. McCULLOUGH. But it does not give the value of the slack coal nor the value of the nut.

Mr. HILL. Bituminous coal is the item given at the point of export; and the average cost for the last year was 8,000,000 tons at \$2.56.

Mr. DALZELL. In that do they count the shale and slack?

Mr. McCULLOUGH. They count everything.

Mr. HILL. It gives here the collections on bituminous coal. Probably the export would be very little.

Mr. McCULLOUGH. It is not large; it is 14 cents a ton, and the duty is 53½ cents.

Mr. GAINES. There is a duty on the culm and slack?

Mr. McCULLOUGH. All that goes into Canada is the same. They count all that will go through a three-fourths screen.

Mr. HILL. The amount collected was \$22,000, at \$2.56, as against an import price from Canada of \$3.14. As a matter of fact, is there any coal mined in Canada between Nova Scotia and the Rocky Mountains?

Mr. McCULLOUGH. Some coal is mined in the provinces of New Brunswick at Pictou. Outside of that there is none, so far as I know, mined between Nova Scotia and the Crows Pass.

Mr. HILL. You supply cheaper to the East than you do to the West?

Mr. McCULLOUGH. Yes, sir.

Mr. HILL. The East is your market by location. The eastern part of the country is within the zone of Nova Scotia by reason of location. It is protective by reason of the differential and the freight rates. If you are entitled to the whole Central West, why are not the people of New England entitled to the advantage of Nova Scotian prices by reason of their location?

Mr. McCULLOUGH. That is a hard question to answer.

Mr. HILL. It is.

Mr. McCULLOUGH. The object is to protect an American industry. We are 400 miles from the seaboard, and we feel that we are entitled to that protection, because we can not move our mines up. If we were at the seaboard, we could command the world.

Mr. GAINES. It makes a difference whether you are buying the raw material or the finished product.

Mr. McCULLOUGH. In New England they are strong on free raw material, but high protectionists on the finished goods.

Mr. COCKRAN. As I understand you, the cost in laying the product down in New England is \$3.60 and in Canada it is \$3.50.

Mr. McCULLOUGH. Three dollars and seventy-five cents.

Mr. COCKRAN. I thought that was the selling price.

Mr. McCULLOUGH. Yes.

Mr. COCKRAN. As I understand you, your product is superior to the Canadian product.

Mr. McCULLOUGH. It is for making gas; it is worth 70 cents more.

Mr. COCKRAN. Then, if it is superior to the Canadian product, what is your purpose in asking this advantage for the New England market?

Mr. McCULLOUGH. If they charge \$3.50 and we charge \$3.75 and there is an economical difference of 70 cents, that leaves 25 cents above our price, or rather to their advantage.

Mr. COCKRAN. What do you call the economical value?

Mr. McCULLOUGH. If you take off 67 cents, that would leave us on the wrong side of the account.

Mr. COCKRAN. You can put your article in Canada at \$3.60?

Mr. McCULLOUGH. Yes, sir.

Mr. COCKRAN. The Canadian article comes in at \$3.50, duty paid. There you are at a disadvantage of 10 cents.

Mr. McCULLOUGH. If you spell it "c-o-a-l," we are at a disadvantage of 10 cents, but when you come to the question of quality—

Mr. COCKRAN. You say that you have a superiority in quality to the extent of 70 cents?

Mr. McCULLOUGH. Yes, sir.

Mr. COCKRAN. Therefore your advantage is 60 cents a ton?

Mr. McCULLOUGH. Yes, sir.

Mr. COCKRAN. What more do you want? Is not 60 cents enough?

Mr. McCULLOUGH. You eliminate the idea that I am arguing against a reduction of 60 cents per ton in their prices. What you ought to figure would be 70 cents and not 60 cents.

Mr. COCKRAN. I must say that I can not see that. As the matter stands now you go into their market at a cost of \$3.60 and they come into competition with you at \$3.50, making a cost, duty paid, of \$3.50.

Mr. McCULLOUGH. But when a man pays \$3.50 he gets something that is worth 70 cents more than the Canadian coal.

Mr. COCKRAN. That is what I say. You are practically on the same terms with the duty off.

Mr. McCULLOUGH. No; at \$3.38 we would be.

Mr. COCKRAN. You take 70 cents off and your price is \$2.90. What is your idea about that 70 cents?

Mr. McCULLOUGH. That is economical value.

Mr. COCKRAN. I do not know what you mean unless you mean that for commercial purposes the intrinsic value of your coal is 70 cents more than theirs.

Mr. McCULLOUGH. Yes, sir.

Mr. COCKRAN. Then, if you add 70 cents to theirs or take 70 cents off yours, you are on equal terms with them.

Mr. McCULLOUGH. No; not if you take 67 cents off their prices. The cost is \$3.50, duty paid. Duty off, it would be \$2.83.

Mr. COCKRAN. That would make a difference of 7 cents.

Mr. McCULLOUGH. That is right, taking into consideration the economical value.

Mr. COCKRAN. What else have you to take?

Mr. McCULLOUGH. Nothing.

Mr. COCKRAN. That is the only thing worth considering?

Mr. McCULLOUGH. Yes, sir.

Mr. COCKRAN. According to your own figures it is only 7 cents a ton difference.

Mr. McCULLOUGH. That is assuming that we are working without a profit.

Mr. COCKRAN. Since there is no difference in the labor cost between the two products, then the basis on which you want protection is to equalize the differential and the rates of transportation.

Mr. McCULLOUGH. It is to equalize the difference in railroad freight.

Mr. COCKRAN. Yes. Then you are not trying to equalize the difference in the cost of production, so far as the labor cost is concerned, but you are trying to equalize the difference in the cost of transportation?

Mr. McCULLOUGH. Precisely.

Mr. COCKRAN. Until this hearing that theory has never been advanced as a reason for levying taxation.

Mr. McCULLOUGH. It has always been my idea that the general idea or object of protection is to protect.

Mr. COCKRAN. So far as the labor cost is concerned.

Mr. McCULLOUGH. I do not think that that is what a tariff means.

Mr. COCKRAN. Your idea is that a tariff is to protect you so that you can get profits.

Mr. McCULLOUGH. To get profits and to enable us to pay the wages of the men.

Mr. COCKRAN. There is no difference in the wages.

Mr. McCULLOUGH. If the rates would be cut down, the wages would have to be cut down.

Mr. COCKRAN. That is another case of apprehension. You can not ask for a tariff on that ground except for the purpose of quieting your apprehensions. Take the actual facts. Are not the rates of wages substantially even now? If that be true, it is not for the purpose of protecting the wages that you are asking a tariff, but for the purpose of protecting your profit.

Mr. McCULLOUGH. Protecting everything. It is protecting the business.

Mr. COCKRAN. Protecting the profits of the business.

Mr. McCULLOUGH. I think capital is entitled to some profit.

Mr. COCKRAN. But you are claiming that your purpose is not merely to equalize the difference in the rate of wages, but also to insure a profit to capital.

Mr. McCULLOUGH. Well, it is so that everybody will reap a proper benefit, the railroads and everybody else.

Mr. COCKRAN. Then you ask a tariff for the purpose of general regulation?

Mr. McCULLOUGH. That is my conception of the purposes for which a tariff is put on.

Mr. COCKRAN. You think its scope is beneficent?

Mr. McCULLOUGH. Yes, sir.

Mr. UNDERWOOD. To get at the logic of your statement, if there were no coal fields in the western part of the United States, do you

think that this committee ought to put a duty on coal to enable you to equalize the freight price so as to enable the American coal to go into the Pacific coast market in competition with the Vancouver coal?

Mr. McCULLOUGH. I should not.

Mr. UNDERWOOD. You do not think that we should put on that tax in order to enable you to ship American coal to the West so as to come in competition with the Vancouver coal?

Mr. McCULLOUGH. This would not be putting a tax on American coal, because this coal goes into the bunkers of steamers 95 per cent of which are foreign bottoms.

Mr. UNDERWOOD. Assuming that there was no coal on the Pacific slope, would you think it fair to put on a duty to enable the American producer to reach that market and pay his freight?

Mr. McCULLOUGH. I should think not.

Mr. UNDERWOOD. Is not that the effect of your argument? Coal is an article that is sold in zones. You have a zone within which you sell, and when you pass beyond that zone you come in competition with somebody else.

Mr. McCULLOUGH. Yes, sir.

Mr. UNDERWOOD. When you get beyond your own zone and in one where there is no coal fields, but where they have an advantage over you of a lower freight rate, do you think that it would be equitable to the people of that zone to exclude them from a market where they can get their reasonable and proper prices on coal?

Mr. McCULLOUGH. If they live in the United States, yes; they should in that case rest with the other citizens of the United States. But these people are not citizens of the United States; whereas, we have to pay the bills.

Mr. UNDERWOOD. Coal is an indispensable article, and it is a great radiator of heat. It is the basis of all manufacturing, and to enforce an extreme high price on coal by an artificial law on a people that otherwise would get it at a reasonable price, would that, in your opinion, be a proper action for the Government?

Mr. McCULLOUGH. Well, I think that is logical. We are American citizens, and the other people are not. They are, under the laws of the Lord, in a position to produce coal cheaper, whereas we are not.

Mr. UNDERWOOD. They are under the laws of the Lord, and you are under the laws of man.

Mr. COCKRAN. You think that we ought to correct the laws of the Lord by a judicious application of the laws of man?

Mr. McCULLOUGH. In this case, I should think so.

Mr. COCKRAN. I think the tariff question is gradually expanding.

Mr. RANDELL. Did I understand you to say that the rate of wages now paid by your company in Nova Scotia is the same as is paid in this country?

Mr. McCULLOUGH. I think so.

Mr. POU. Did I understand you further to say that if the tariff on the foreign coal was removed you would be compelled to reduce the wages of your men?

Mr. McCULLOUGH. That is my judgment.

Mr. POU. By reason of the tariff you are only able to compete at your border in Nova Scotia?

Mr. McCULLOUGH. That is true.

Mr. POU. You ask help enough to pay the American labor as against the foreign labor?

Mr. McCULLOUGH. That is it.

Mr. GAINES. What is your run-of-mine price?

Mr. McCULLOUGH. I could not answer that question, because prices vary to some extent. I really do not know how to answer it. I would suppose that the price of the run-of-mine, under conditions similar to that of Boston, would be about \$1.25 a ton, as against \$1.40 for the screened article.

Mr. RANDELL. There is a good deal of the United States that is outside of your immediate territory between Pennsylvania and New England. You say that you can deliver coal now at a profit of 15 cents a ton in Boston. Is it not a fact that the largest percentage of profit is made by the railroads that haul the coal?

Mr. McCULLOUGH. I think that \$1.50 a ton from our mines to Philadelphia is not a high charge.

Mr. RANDELL. Why do you not try to get a reduction from the railroads on their charges?

Mr. McCULLOUGH. We have tried that, but they put up the price 5 cents a year ago instead of reducing it.

Mr. RANDELL. The railroads put up the price of freight so as to get a profit?

Mr. McCULLOUGH. I think so.

Mr. RANDELL. And you want us to put up the tariff in order to give you a profit over and above that. Is not that the fact?

Mr. McCULLOUGH. I think we are entitled to a profit.

Mr. RANDELL. Then what assurance have you that the railroad would not come along immediately and put up their rate again?

Mr. McCULLOUGH. Then we would have to raise the price.

Mr. RANDELL. Then, according to that showing, what chance would the man have who wishes to warm himself by a fire?

Mr. McCULLOUGH. He has the benefit of competition with bituminous coal in the whole of the United States.

Mr. RANDELL. The general consumer of the United States is far away from the mines?

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. Can you give us the amount of the consumption of bituminous coal in New England?

Mr. McCULLOUGH. I can not answer that question.

Mr. RANDELL. It is a tremendous quantity, is it not? It enters into the manufacture of all articles in New England, and those articles are sold all over the United States and in all of the markets of the world.

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. So that that would raise the prices of the products that are made in New England and the consumer would have it to pay.

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. If you had an advance of 67 cents a ton duty on coal, you would make a larger profit, but you say it would be only a slight profit. That is a small percentage of your business.

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. But this 67 cents a ton makes a tariff wall around the United States, and if the coal dealers throughout the United States desire to charge that 67 cents a ton in any section of the

United States they could charge that much more than if the tariff was not there?

Mr. McCULLOUGH. No; because that would destroy our business.

Mr. RANDELL. Do you not sell coal now at 67 cents a ton more by reason of having the tariff?

Mr. McCULLOUGH. No, sir; the tariff would not affect us except in New England and the seaboard.

Mr. RANDELL. Then, do you not sell to the consumer at 67 cents a ton more than they do in West Virginia, because of the tariff?

Mr. McCULLOUGH. No, sir.

Mr. RANDELL. Then, what is the limit?

Mr. McCULLOUGH. Competition is the limit.

Mr. RANDELL. Suppose that the owners of mines should prefer in their own zone to get the benefit of the tariff and add it to the price of the coal, what protection would the consumer have if the owners chose to charge 67 cents more than they otherwise would?

Mr. McCULLOUGH. I do not think they could.

Mr. RANDELL. You think it would have no effect at all?

Mr. McCULLOUGH. The anthracite producers could put up the price, but the bituminous producers could not.

Mr. RANDELL. Could not they do so until they got to the top of the tariff wall?

Mr. McCULLOUGH. If that tariff was off, that would be the limit in New England. They would have to put down the price in order to keep their business.

Mr. RANDELL. Have you an idea of how much coal is consumed in this country?

Mr. McCULLOUGH. Yes; it was 470,000,000 tons of both kinds of coal in the year 1907.

Mr. RANDELL. Then it would amount to the consumer to a difference, with this tariff, of between \$200,000,000 and \$300,000,000, would it not?

Mr. McCULLOUGH. You must take off 67 cents a ton for the whole of your output.

The CHAIRMAN. That would depend on whether the price was added to every ton of coal sold in the United States.

Mr. McCULLOUGH. Yes, sir.

The CHAIRMAN. Do you believe, as a business man, that 67 cents is added to the price of every ton of coal sold in the United States?

Mr. McCULLOUGH. No; only 15 cents a ton is the profit in the business. There is practically nothing added.

Mr. RANDELL. You mean to say that coal is sold in this country at a profit of 15 cents a ton?

Mr. McCULLOUGH. Yes; bituminous coal.

Mr. RANDELL. Are you acquainted with the coal mines in Oklahoma?

Mr. McCULLOUGH. No; I do not know anything about them.

Mr. RANDELL. At South McAlester coal can be mined and sold at \$2; and that same coal sells from \$6 to \$7.50 a ton across the river in Texas.

Mr. McCULLOUGH. I do not know anything about that country. I suppose that if you take that to the big smelters it would cost \$5 per ton more to get it in.

Mr. RANDELL. In a situation like that, has the consumer any protection against the producer of the coal who charges the world's market price for the coal with the addition of freight rates and tariff?

Mr. McCULLOUGH. The producer has the protection of competition.

Mr. RANDELL. If you take any particular locality in the country, whether the territory be great or small, where certain parties own the coal, has the consumer any chance, unless he gets it from outside sources, with the prices of competition added, and necessarily the tariff, if it comes from outside of the country?

Mr. McCULLOUGH. No consumer has any protection where a monopoly exists. He has to pay what they ask.

Mr. RANDELL. Is it not a fact that the railroad rates are so adjusted as to nearly take up the profit on the coal in this country when it is shipped any great distance?

Mr. McCULLOUGH. I am afraid that I would have to say "yes" on that question.

Mr. RANDELL. Is it not a fact that railroads so manipulate the rates that they take the greater part of the profit in the business?

Mr. McCULLOUGH. I am not in the railroad business.

The CHAIRMAN. He is not obliged to tell you whether your proposition is correct.

Mr. RANDELL. I am asking him if he prefers to give his opinion.

Mr. McCULLOUGH. I said that I was not in the railroad business.

Mr. RANDELL. I do not insist on his answering if he does not care to. I will put the question in this way: As a matter of fact, is it not true that the freight rates are so adjusted as to take practically all of the profit from the coal mining where the coal is hauled any distance?

Mr. McCULLOUGH. Considering the length of the haul from our mines to Philadelphia, I do not think that \$1.50 a ton is excessive. I do not think it is excessive per ton per mile, but I may say that I think that the railroad freight is the big end of the price question.

Mr. RANDELL. I thought I understood you to say that the profit was in the transportation of it.

Mr. McCULLOUGH. I said that there was more profit in the transportation than there was in production.

Mr. RANDELL. I understood you to say that in your opinion nearly all of the profit was in transportation. In other words, the railroad makes more than the coal company and gets nearly all the profit.

Mr. McCULLOUGH. No; we get our profit of 15 cents per ton. What the railroad makes in profit out of the \$1.50 I do not know.

Mr. RANDELL. I thought that you gave it as your opinion a moment ago that it was considerable.

Mr. McCULLOUGH. I would like to say at this point that there are present representatives from the largest bituminous coal mining interests in Pennsylvania and West Virginia; and I know they want an opportunity of expressing their opinion in relation to these matters providing they can get an opportunity.

The CHAIRMAN. We do not want to get opinions, but we want to get the facts.

Mr. McCULLOUGH. They are prepared to give you the facts.

**D. W. KUHN, OF PITTSBURG, PA., WRITES IN ADVOCACY OF
RECIPROCAL FREE COAL WITH CANADA.**

PITTSBURG, PA., *December 8, 1908.*

HON. JOHN DALZELL, M. C.,
Washington, D. C.

MY DEAR SIR: On Thursday of this week, I understand, the Ways and Means Committee grants a hearing on the subject of reciprocal free coal with Canada. Several operators, including representatives of the Pittsburg Coal Company and Westmoreland Coal Company will be present, but I will be unable to attend, and for that reason I wish to make a brief statement in support of reciprocal free coal.

Canada is the only large market in close proximity to our coal fields that we have to-day, and the mean distance to Lake Erie ports for lake shipment to Canada is not over 150 miles. The Province of Ontario, the premier province of Canada, is in close proximity to our Lake Erie ports, and shipments are made from Cleveland, Ashtabula, and Erie on lake shipments and from Buffalo and some other points on rail shipments into Canada. From Winnipeg to Montreal is a territory which can be more advantageously supplied with coal from this region than from any other fields; Montreal being the extreme eastern port of shipment for our coal is yet in point of distance nearer than from the coal fields of Nova Scotia to Montreal. The distance from Nova Scotia coal fields to Montreal is about 1,100 miles. Almost 7,000,000 tons of coal were exported from the United States into Canada last year, the greater part of it being from western Pennsylvania and eastern Ohio, and about 1,200,000 tons of coal were imported from Canada into the United States, the greater part going from Nova Scotia to New England. The demand for coal in Canada comes largely from territory which would be naturally supplied by western Pennsylvania and eastern Ohio, and the upbuilding and general development of that part of Canada will depend somewhat on its facilities for securing our coal. The general development of that territory, however, will necessarily develop a large volume of trade between that part of Canada and Pennsylvania and Ohio in lines of commerce other than the coal trade.

The development and maintenance of a large coal trade with that part of Canada—to which free coal into Canada would give an impetus—is bound to result to the advantage of western Pennsylvania and eastern Ohio, nor can it hurt other coal fields, for it will have more the effect of giving each coal field the full advantage of its respective natural and logical market.

Very truly, yours,

D. W. KUHN,
Pittsburg-Westmoreland Coal Co.

**THE FAIRMONT (W. VA.) COAL COMPANY OPPOSES FREE COAL
UNLESS COUPLED WITH CANADIAN RECIPROCIDTY.**

FAIRMONT, W. VA., *December 16, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Last week the undersigned went to Washington to attend the session of your committee while considering the coal

industry, and learned that you were willing to have suggestions made in writing.

Our investigation shows that the bituminous coal imported into the United States during the year 1906 aggregated 1,819,768 tons from the following ports: Pacific, 753,936; northern and lake, 262,671; Atlantic, 803,158.

During the same year the United States exported to British North America 5,357,004 tons.

In 1907 the United States exported to British North America 7,194,546 tons of bituminous coal, while the imported coal decreased to 1,689,869 tons. In other words, in 1907 we sold to Canada nearly five times as much bituminous coal as we bought from her.

The territory which lies about 200 miles east from Winnipeg and about 100 miles west of Montreal is practically an American market for bituminous coal.

The Canadian Pacific and Grand Trunk railroads pay yearly in the vicinity of \$1,000,000 duty on American coal.

Canada receives more than five times as much duty from its purchasers of American bituminous as that received by the United States from its purchasers of Canadian coal. We respectfully submit that this should not be—we should either have reciprocal free coal or the same duty on bituminous coal in both countries. Free coal without reciprocity will greatly injure the coal industry; certainly such a proposition will not, I think, be seriously considered.

Very respectfully,

A. B. FLEMING,
Representing Fairmont Coal Company.

STATEMENT OF HON. F. W. MONDELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WYOMING, WHO WISHES DUTIES RETAINED ON BITUMINOUS COAL.

SATURDAY, *December 19, 1908.*

(The witness was duly sworn by the chairman.)

The CHAIRMAN. I see that there are three gentlemen besides yourself, Mr. Mondell, on the list from Wyoming, and one from Chicago, in reference to the coal subject. Does each gentleman here wish to be heard?

Mr. MONDELL. The two gentlemen here who are operators in Wyoming would like to be heard briefly in regard to the coal tariff, and it was my desire to very briefly present the coal situation in the Rocky Mountain country to the committee before these gentlemen were heard, if I may have that opportunity. I will endeavor to be very brief, gentlemen of the committee.

I appear before the committee in favor of the coal industry of the northern Rocky Mountain region.

I do not desire to have the committee understand by reason of the fact that I am only presenting this coal question to the committee that it is the only tariff question in which the people whom I represent are interested, because it is not, by any means. We have the same interest in the general schedules that all American citizens have, and, in addition to that, we have some special interests.

The State I represent has about one-eighth of all the sheep in the United States. Therefore we are very much interested in the wool tariffs. We are also very much interested in the hides schedule and various other schedules.

Your committee would have heard from the operators of our region sooner had it not been for the fact that the impression has been general throughout our territory that there was but little danger of a reduction in the duty on bituminous coal. Even now, when the necessity of presenting to the committee the facts with regard to our coal situation is apparent, a number of operators from the Northwest who would be glad to present the matter to the committee are unable to be here. There are present in the city, however, a number of our operators, whom I hope your committee will be able to give an opportunity to be briefly heard.

My purpose in appearing before your committee is to give you a brief outline of the coal situation in the northern Rocky Mountain region, more particularly in Wyoming. What I have to say will be in the form of a general statement of conditions, the details in regard to which the gentlemen who will succeed me, and who are operators in the field, can give you.

We appear here for the purpose of calling to your attention the fact that any reduction of the duty on coal will work a very great hardship to the growing coal industry of Wyoming, Montana, and Utah, without bringing any corresponding benefit to the consumer.

The coal fields of the upper or northern Rocky Mountain region cover a very extensive area. In Wyoming approximately 30,000 square miles, or over 6,000,000 acres, are underlaid with coal. The coal area of Montana is still larger, while Utah has a considerable area of coal and there are extensive areas of lignite in North Dakota.

Practically all the coals of the northern Rocky Mountain region are either lignite or subbituminous, and they run all the way from low-grade and inferior lignites in the Dakotas to a high-grade lignite, or subbituminous, in some parts of Montana, Wyoming, and Utah. There are, it is true, some very limited fields of bituminous coals in these States, but such deposits are so small that they do not cut much figure in the general coal industry.

I will hand to the stenographer a number of typical analyses of Wyoming fields which I obtained from the Geological Survey.

ANALYSES OF COAL.

Coal from Monarch, 9 miles northwest of Sheridan, in Sheridan County.

	Per cent.
Moisture	22. 63
Volatile hydrocarbons	35. 68
Fixed carbon	37. 19
Ash	4. 50
Sulphur .....	. 59

Coal from Rock Springs, Sweetwater County.

	Per cent.
Moisture	10. 23
Volatile hydrocarbons	34. 11
Fixed carbon	51. 10
Ash	4. 56
Sulphur	1. 15

Coal from Frontier, Uinta County.

	Per cent.
Moisture	3. 86
Volatile hydrocarbons	39. 49
Fixed carbon	51. 00
Ash	3. 65
Sulphur	1. 07

Coal from Cumberland, Uinta County.

	Per cent.
Moisture	6. 78
Volatile hydrocarbons	39. 79
Fixed carbon	47. 43
Ash	6. 00
Sulphur .....	. 43

From these analyses it will be seen that these coals are high in moisture, high in volatile gases, low in fixed carbon, and generally low in ash.

Coming in direct competition with these American coals are the coals from British Columbia and Alberta. The Crows Nest Pass coals of British Columbia are coking coals, of which the following is a typical analysis:

	Per cent.
Moisture	0. 91
Volatile hydrocarbons	19. 1
Fixed carbon	69. 93
Ash	9. 83
Sulphur .....	. 32

These coals are very high grade and the field contains many workable seams.

Mr. GAINES. What coals are those?

Mr. MONDELL. Those are coals from British Columbia and Alberta. That is the Crows Nest coal of British Columbia, the analysis of which I just read.

Mr. GAINES. That is a good grade of coal, evidently?

Mr. MONDELL. That is a high grade of bituminous coal, that makes coke which they tell me is as good as any made in the world, except that made in West Virginia.

The other Canadian field with which we come in competition is the Lethbridge, in Alberta, which I understand is a noncoking coal, and of which the following is furnished me by the Geological Survey as a typical analysis:

	Per cent.
Moisture	12. 08
Volatile hydrocarbons	26. 87
Fixed carbon	54. 93
Ash	6. 12

These Canadian coals lie within 50 to 100 miles of the American border, and coal from these fields comes directly south into American territory over a branch of the Great Northern Railroad which connects with the main line of the Great Northern at Great Falls, Mont., and into Spokane, Wash., and northern Idaho over several lines of road that cross the international boundary. These coals, therefore, reach our American markets in eastern Washington, northern Idaho, and Montana with a shorter haul and a lower freight rate than any American coals, except some inferior coal mined in northern Montana.

That American coal of this region can not successfully compete with the Canadian product without an adequate duty is indicated by the fact of the steady increase of Canadian importations into the territory mentioned, in the face of the present tariff of 67 cents a long ton. Importations of duty paid coal into the collection district of Montana and Idaho having been as follows:

	Tons.
1904.....	159, 488
1905.....	174, 511
1906.....	258, 466
1907.....	272, 532
1908.....	410, 120

It will be noted from these figures that the importation has almost doubled in the past year and has been steadily growing for a number of years. There are three general features of the situation to which I shall refer which clearly indicate the necessity of the maintenance of a coal tariff.

First. The fact of a higher wage scale and a higher cost of production in the United States than Canada. I will hand to the stenographer for insertion in the record a statement prepared for me yesterday by the Bureau of Labor giving the comparative wage scale in Montana and Canada. The scale in Wyoming is approximately that of Montana. A comparison of these schedules shows that, taking into consideration the fact that the outside scale in Canada is based on a ten-hour day while the same scale in the United States is based on an eight-hour day, the American scale is from 25 to 40 per cent above the Canadian scale.

For instance, taking a few examples of outside wages, we find head blacksmiths in Wyoming receive \$3.90 for eight hours, in Canada \$3.75 for ten hours. The difference in the wages of blacksmith helpers is still greater.

Outside teamsters receive in Montana \$3 for an eight-hour day, in Canada \$2.62½ for a ten-hour day. This is 26 cents an hour in Canada and 37½ cents an hour in Montana.

A box-car shoveler in Wyoming and Montana receives \$3 for an eight-hour day, while in Canada the same class of labor receives \$2.62½ for a ten-hour day.

When we come to inside occupations in which day wages are paid, we find that drivers in Wyoming receive \$3.40 and in Montana \$3.60 for an eight-hour day, while in Canada they receive \$2.75 for eight hours' work. Rope riders receive \$3.40 for an eight-hour day in Montana and \$3.25 in Wyoming, as against \$2.75 in Canada. This difference in wages is maintained throughout the entire wage scale. The difference is even greater when we come to examine the price paid for mining. As prices differ in various mines, governed by the local conditions, and the manner of weighing and measuring varies, it is rather difficult to strike an average, but I think it is safe to say that the price paid for mining coal in Wyoming and Montana is at least 25 to 40 per cent above that paid in western Canadian mines. In some instances the difference is even greater where the Canadian is paid by the yard.

Second. When we come to the matter of transportation, we find that the Canadian mines have an advantage over most of the American mines in distance, and consequently in freight rates. For in-

stance, the freight rate from Lethbridge, Province of Alberta, to Spokane, Wash., is \$2.40 a ton; from Michael, British Columbia, to Spokane is \$2.15, while the rate from either the Sheridan or Rock Springs fields in Wyoming is \$4.45 a ton, a difference of over \$2 a ton in favor of the Canadian coal, while the tariff on the short ton is but little more than 60 cents.

In the markets of Butte and Anaconda the lignite coals from the vicinity of Sheridan, Wyo., have an advantage of about 75 cents a ton in freight rates over the Crows Nest Pass and Lethbridge high-grade bituminous and subbituminous coals, but the only Wyoming coals that can compete at Butte and Anaconda for smelter and steaming purposes with the Canadian coals are the coals from southwestern Wyoming and Rock Springs, which pay a rate of \$4 a ton into both Butte and Anaconda, 25 cents more than the highest Canadian rate.

The rates above given are for lump and run-of-mine coal, rates in all cases being somewhat lower for slack coal.

The Lethbridge coals reach Great Falls, Mont., on a rate of \$2.50 a ton, while the Wyoming coals pay a rate so much higher that it is in most cases prohibitive, the rate from the Sheridan region being \$2.50 a ton to Helena, with a local from that point to Great Falls, and from Kirby, Wyo., \$3 a ton to Helena, with a local to Great Falls.

Rates have recently been put into effect over the new line of the Great Northern into Great Falls whereby the Sheridan coals must pay \$4.05 per ton, as against \$2.50 for Lethbridge and \$3.40 for Crows Nest Pass coals. At these rates Wyoming coals can not get into the Great Falls market.

I present these figures as a fair statement of the rate situation. They show clearly the considerable advantage Canadian coal has over coal mined in Wyoming. It is true that there are some coals mined in Montana that meet the Canadian coals on a more satisfactory freight basis, but the greater portion of the Montana coals which can successfully compete in the market with the better grade of the Canadian coals pay a freight rate but a little lower than that on Wyoming coals.

Third. Another important feature of the situation is the fact that the Canadian coals are in the main, particularly the Crows Nest Pass coals, better for steaming and smelting purposes than much of the Wyoming coal. In fact, there is so wide a difference that much of the Canadian coal would command a price of at least \$1 a ton above much of the Wyoming coal in open competition. For domestic use the Wyoming coal is, much of it, quite as satisfactory as the Canadian coal, but even for such purposes it meets with the sharp competition from the Lethbridge and other Canadian coals.

As clearly indicating the necessity for protection in this field as against Canadian coal, I desire to emphasize the fact of the increased Canadian imports to which I have already referred, and I desire to further call your attention to the fact that these importations clearly indicate that the sharpest foreign competition which American coals meet is met by the coals from this district.

Although I am not entirely certain on that point, I am of the opinion that with the exception of the port of Boston the importation in this district was the largest in any collection district in 1908. When we take into consideration the fact that these coals are coming into a sparsely settled region, where the market is not large, you will

readily see how menacing this importation is to American industries. It is not only the present market along the Canadian border that we seek to retain, but the vastly increased market which will be found in that region with the development of its resources and consequent increase in population. We have in Wyoming enough coal to supply the present population of the United States something like one thousand years, but we must find our markets within the limits of a reasonable freight haul. If we are to lose the markets in Montana, Idaho, and Washington, and the market which we ought to obtain in North Dakota, it means that in increasing production we must turn to the southern market and compete with the coal produced in Iowa, Illinois, Ohio, Kansas, and Colorado, and if we lose these northern markets to any extent I fail to see how it would be possible to maintain our present wage scale.

We are not without an object lesson as to the effect of a lower coal tariff, for when the coal rate was reduced from \$1 under the McKinley bill to 42 cents a ton under the Wilson bill we lost all our market in Montana and Washington and on the Pacific coast, and, curiously enough, no consumer obtained coal any cheaper under these conditions.

From 15 cents to 25 cents a ton is a fair profit on a large coal output. Coal is often sold so close that it is impossible to reduce the price even 10 or 15 cents and leave any profit. With the reduction to 42 cents a ton under the Wilson bill the Canadian importers did not give the American consumers the benefit of the reduction of the tariff. They simply reduced the price 10 or 15 cents a ton and drove our mines out of the market. Of course this gave the large consumers the benefit of the 10 or 15 cents reduction on each ton, but the ordinary consumer of coal found that there was no difference in the price, and, as a matter of fact, when the duty was again raised under the Dingley bill to 67 cents a long ton, the Canadian operators were getting about the same price in this northern market that our operators had received prior to their losing the market.

Having crowded the American operators out of the market, the Canadian operators gradually raised their price, and as it takes a considerable length of time to readjust business and to secure business once lost, we retrieved none of this lost business until after the passage of the Dingley bill. Of course at that time the Montana and Washington market was a much more limited one than it is now, and our output was much smaller. I shall file with the stenographer, to be printed with my hearing, a statement showing the coal production in the States west of the Mississippi River, which shows that Wyoming produced in 1907, 6,252,990 tons—it being the fourth State in point of production west of the Mississippi—Colorado, Iowa, and Kansas having a larger production.

To sum up the matter, I would respectfully submit that I believe we are justified in our belief that any reduction in the coal tariff would be exceedingly disastrous to the coal industry of the Rocky Mountain region, and I may add of the State of Washington as well.

While I speak particularly for Wyoming, the Montana interests are, it would seem to me, equally in danger, and the coal industry of adjacent States would be injured by the readjustment of markets if we lose the northern markets. As a matter of fact, the situation demands an increase rather than a decrease in the tariff. I would suggest an increase to 75 cents a short ton. I believe that increase would

not more than measure the difference in wages, and so far as a large portion of the field is concerned, it would nowhere near measure the difference in freight rates.

We have a growing industry which should be protected. No American will pay more for his coal by reason of such protection, but the market will be preserved for American producers and the American wage scale can be maintained.

We should not lose sight that it is of only recent years that a market has been found and made for lignite coal. Ten years ago practically none of the railroads would use it, and its domestic consumption was small. By constant, laborious, and expensive experiment, and the expenditure of a large amount of money, we have been able to build up a market for our lignite coal. It ought to be protected against higher-grade coals mined by lower-paid labor in Canada.

The CHAIRMAN. How near to the Canadian border are your mines in Wyoming?

Mr. MONDELL. The State of Montana is about 400 miles in width, and the Wyoming mines, some of them, are within 50 miles of our northern border.

The CHAIRMAN. Do you sell any coal in Canada?

Mr. MONDELL. No; there is no point in Canada west of Lake Superior where a market for a ton of American coal could be found.

The CHAIRMAN. There is no thickly settled country there?

Mr. MONDELL. There are only three lines of railroad crossing the international boundary. One comes down to Great Falls from Lethbridge. It would be impossible to ship any American coal over the line, because we would ship it right into a coal region. There are two lines of road coming down over the international boundary to Spokane. There is no coal mine within 250 miles of Spokane, and then only a little on the other side of the range. Our coals are about 350 miles from Spokane. We have a freight rate of \$4 to get it to Spokane. Of course we could not ship from there north into a coal region. In other words, there is no room for reciprocity.

The CHAIRMAN. Does Spokane import any Canadian coal?

Mr. MONDELL. I have been unable to find out just how much of the coal which paid the duty in the collection district of Great Falls was used in Spokane, but, as I have stated, upward of 400,000 tons paid the duty in the Great Falls district.

The CHAIRMAN. We had free coal for a year in 1893.

Mr. MONDELL. At that time there was but one line of road crossing the international boundary, that being the line into Great Falls, of which I have spoken. The railroad management very kindly raised the rate during that year by the amount of the tariff.

The CHAIRMAN. They found it was to their interest to do so, no doubt, or they would not have done so.

Mr. MONDELL. I assume so; yes, sir.

Mr. DALZELL. How near is the nearest Canadian coal field to your Wyoming fields?

Mr. MONDELL. The Crows Nest Pass and the Lethbridge Pass are from 50 to 150 miles from the Canadian border. So a haul of 50 to 150 miles will bring that coal to the international boundary.

Our fields, of course, are all south of the Montana boundary. Some of them—the Rock Springs and Diamondville and Kemmerer fields—

are 250 miles south of the north border of our State, but those that lie nearest to the common markets in Washington and Idaho and Montana are all the way from 250 to 600 miles from those markets, while the Canadian coals are from 100 to 350 miles from the same markets. In other words, they are nearer those large American markets than we are.

Mr. BONYNGE. How far are the American markets from Great Falls?

Mr. MONDELL. I don't know the exact distance from Great Falls to the international boundary. It is 205 miles from Great Falls to Lethbridge. But there are coals nearer.

Mr. BONYNGE. How far are the nearest Canadian coal mines from Great Falls? What is the distance?

Mr. MONDELL. Less than 200 miles.

Mr. BONYNGE. How far are your mines from Great Falls?

Mr. MONDELL. Well, they have been upward of 400 miles. They are, I should say. Mr. Carney, do you know the distance from Sheridan to Great Falls by the new route?

Mr. CARNEY. About 400 miles.

Mr. MONDELL. About 400 miles.

Mr. BONYNGE. Colorado coals do not compete with Wyoming coals in that territory, do they, in Washington, Montana, and Idaho?

Mr. MONDELL. They do not compete except in the southern part of Wyoming, in Nebraska, and Kansas, and in the Dakotas. They compete sharply in all those States.

Mr. DALZELL. You have stated the locations of the various coal fields in your operation?

Mr. MONDELL. I have simply referred to this as I have referred to my notes. I have not filed any map indicating their location.

Mr. BONYNGE. I think perhaps it would be well if you would file such a map, showing where the different coal fields are.

Mr. BOUTELL. What is the source of fuel supply in western Washington and northwestern Oregon, west of the Cascades?

Mr. MONDELL. Washington, west of the Cascades, is supplied from Roswell and other mines in that State. We only reach the Washington market east of the Cascades.

Mr. BOUTELL. I understand, and the home supply west of the Cascades is from mines west of the Cascades.

Mr. MONDELL. The home supply west of the Cascades is from local mines.

Mr. BOUTELL. Do they produce enough to supply that home demand?

Mr. MONDELL. My recollection is that last year the importation at all Puget Sound points was only 50,000, as against 400,000 of importations into the Great Falls district.

Mr. GAINES. Do you know the distance of Washington coals from Seattle and Tacoma; are they near?

Mr. MONDELL. Well, within—yes; some of the mines are within 50 miles.

Mr. FORDNEY. Some of the mines are within 15 or 20 miles.

Mr. MONDELL. Some small mines are within 15 or 20 miles, I believe.

Mr. FORDNEY. Some of the large mines.

Mr. MONDELL. Roswell is, I don't know how far, probably 200 or 250 miles.

Mr. FORDNEY. There are some within 15 or 20 miles.

Mr. RANDELL. You want the tariff to remain at 67, do you?

Mr. MONDELL. We believe the tariff ought to be, in order to meet difference in wages, about 75 cents a long ton, which would mean about 70 cents a short ton.

Mr. RANDELL. It seems under the situation up there, if you have no tariff the railroads, by putting up the price of transportation, can supply you with the same protection. They did do that?

Mr. MONDELL. At a time when we had simply rebated the coal tariff for one year and when there was only one line of railroad across the international boundary.

Mr. RANDELL. It shows the power of the transportation companies and the cost of transportation in that country.

Mr. MONDELL. We prefer to be protected by law rather than by the railroad company.

Mr. RANDELL. If your hope of help there is in the tariff, could not the same power that supplies the place of the tariff by putting up a freight rate do away with the protection that the tariff affords by putting down the freight rate?

Mr. MONDELL. I think that is true, to this extent: That if an American railway was to reduce its rate into Great Falls to Spokane to a point much below the rate which other railroads make within American territory to the south, I think the Interstate Commerce Commission would take cognizance of that condition and afford us relief. I think we are fortunate in having the power to inquire into and regulate those rates in the hands of the commission. Therefore I think we should have the benefit, and with the railroad rate bill in effect, I do not believe the railroads of that district would attempt to deny us the benefit of the tariff by reducing the rate to Canadian coal; they certainly would not want to reduce it below what would be the fair price of transportation.

Mr. RANDELL. But in order to get that means of hoped-for relief, the people in New England and on the Atlantic coast and other parts of the United States, all through the United States, would be subject to buying coal with a tariff of 67 or 74 cents on the ton, and that would be a tremendous expense to the United States, and it would increase the expense of living very much in New England, and the expense of manufacturing plants, and that sort of thing. Have you worked out what the difference would make in that respect?

Mr. MONDELL. Judging from the experience that the people of Montana and eastern Washington had with the coal tariff at 42 cents a ton, I would say that in the long run the price paid by the consumer would be quite as high with the lower tariff, and would be without any tariff at all, as the price he pays now. The Canadian miner having the advantage of the situation, having that advantage, could lower to a point that would drive us out, and still have a profit. The minute we were driven out of the market, then the rate would gradually advance, as it did under the Wilson bill, to a point as high as it was originally, and in any event the reduction that drove us from the northern market was only a reduction of about 15 cents a ton, because we were supplying that market on a very close margin at any rate, and a reduction of 15 cents succeeded in driving us out.

Mr. RANDELL. But what you say applies to only a small portion of the United States, and the effect would be on the whole of the United States?

Mr. MONDELL. Well, I assume that this committee, in discussing this situation, must consider the whole country. Of course it is my duty to present the situation as it relates to my constituents, which I have attempted to do; but, sir, from what I know of the general coal situation, and I have studied it somewhat, I am of the opinion that the present duty is not a burden in any part of the country.

Mr. GAINES. The tariff of 67 cents a long ton on bituminous coal is not very high protection to the coal of the East. I know that the average profit on a ton of coal in the bituminous mines of the East does not amount, one year after another, to 20 cents a ton. In other words, that the producer of coal sells it on a close margin. I have understood that at a distance from the mines the consumers of coal pay a pretty stiff price, but that bears no relation whatever to any enhanced price by reason of the tariff, to the producer of coal. What is the average profit per ton of coal to a coal operator in your section?

Mr. MONDELL. I can not say as to that. At one time I was connected with a coal mine in our State. That was a good many years ago. I severed my connection with that operation in 1894, or a little before I was elected to Congress. For five years prior to that time the average profit on an output of about 1,500 tons a day was, I think, about 11 cents.

Mr. GAINES. A ton?

Mr. MONDELL. Yes, sir; for the five years. There are times when, with a suddenly increased demand, without the opportunity to meet it by opening new mines, the price will be temporarily enhanced to the operator and he will get a very good margin for the time; but as the years come and go, I should say that 25 cents a ton was much above the average profit in our country, and that it was probably nearer 15 cents; and I know in some cases it has been lower than that, so far as my knowledge goes. I do not pretend to have inside information on the subject, except as I have talked with the managers of mines in the State.

Mr. UNDERWOOD. Have you any iron mines in that territory?

Mr. MONDELL. Yes, sir; we have some iron deposits now being worked on a very large scale, and larger deposits that may be—

Mr. UNDERWOOD. What class ore is it?

Mr. MONDELL. It is a rather good Bessemer ore, carrying somewhere in the neighborhood of 60 per cent.

Mr. UNDERWOOD. I would say that would be very good ore.

Mr. MONDELL. It possibly does not run that much. I am not very familiar with the business, as the gentleman is, but possibly the average is not as high as that.

Mr. UNDERWOOD. Is it red hematite ore?

Mr. MONDELL. It is a red ore.

Mr. UNDERWOOD. In veins or pockets?

Mr. MONDELL. Well, the mines at Sunrise seem to be in a very large pocket or series of pockets.

Mr. UNDERWOOD. You said, I believe, that this coal you have in that country is not fit for coking purposes, but is purely domestic coal?

Mr. MONDELL. We have very little coking coal in Wyoming.

Mr. UNDERWOOD. One of the main reasons that you can not compete with the Canadian coal is that the Canadian coal is a very much superior coal, as I understand it.

Mr. MONDELL. That is one of the factors; that is only one of the factors. The gentleman understands that of two coals one may be superior for a certain purpose and the other command as high a price by reason of its superiority for another purpose.

Mr. UNDERWOOD. I understand that.

Mr. MONDELL. For instance, we have some very fine domestic coals in our State, coal that is low in ash, that ignites readily and burns with very little smoke.

Mr. UNDERWOOD. But this superiority of the Canadian coal, over your coal is a superiority by nature and not due to artificial conditions, and it is a superiority that never can be overcome, is it not?

Mr. MONDELL. We do not expect to be able to overcome the superiority of the Canadian bituminous coals over our coals for certain purposes.

Mr. UNDERWOOD. Therefore the tariff, if it is put on there for that purpose of protecting it against that superiority, must remain there forever, logically?

Mr. MONDELL. I used the argument of the superiority of the Canadian coals for certain purposes, not as one of the controlling arguments for the tariff, but one of the things to be considered when, in addition to that, you take into consideration the fact that they are nearer many markets than our mines are, and the still more important fact that we are paying a very much higher wage than the Canadian mines are paying.

Mr. UNDERWOOD. I understand that, but what I mean is this: The development of this country, the development of your coaling interests and railroads, and so forth, could never overcome the natural superiority of the Canadian coals for certain purposes?

Mr. MONDELL. There will be some Canadian coals sold in that northern region without regard to the tariff. That is assuming that the tariff in any event would be a reasonable one. There will still be some Canadian coal sold, because it would meet a certain market; but if the Canadian coal came in without any tariff at all, it would take all of the market, because they not only have a coal that is superior to ours for smelter and steaming purposes, but they also have coals that are quite as good as ours for domestic purposes.

Mr. UNDERWOOD. I would like to ask you this: In the development of your mining industries, as your own coal is not a coking coal, it is absolutely necessary for the development of iron and steel industries in your State to have the Canadian coal?

Mr. BONYNGE. Oh, no. Can you not get those from Colorado, the coking coals?

Mr. MONDELL. It would be impossible to ever import any Canadian coal or coke to Wyoming, to the iron deposits, because of the very great distance. The iron deposits of our State are all in the central and southern portion of the State, and they lie all the way from 500 to 800 miles from the nearest Canadian coals. On the other hand, they have coking coal in Colorado.

Mr. UNDERWOOD. That is about the same distance away, is it not? I know that there is a great deposit of very good ore in our fields in that vicinity, very good ore.

Mr. MONDELL. There is some coking coal not far away in Colorado, as the gentleman perhaps knows.

Mr. RANDELL. How much coal does it take to make a ton of coke?

Mr. UNDERWOOD. Practically speaking, from one and a quarter to one and a fifth tons.

Mr. MONDELL. And in some cases up to 2 tons. When I was connected with the business I know it used to take 2 tons to make a ton of coke, but our coal was not very high in fixed carbon, and therefore it took more to make a ton of coke.

Mr. UNDERWOOD. I recognize that you have freight rates against you; that makes it difficult for you to compete; but for the general development of your iron interests and railroad interests, would it not be of more benefit to your people to have a cheap first-rate coal than it would to exclude it? Taking it in the long run, would it not be to the interest of the whole people of your State?

Mr. BONYNGE. Oh, no; you can get coke in Colorado. Colorado and Wyoming join each other.

Mr. MONDELL. No; we can get Colorado coke at a distance of from 250 to 350 miles. And our iron ore is now being smelted at Pueblo, in Colorado, with Colorado coke, and I assume that the future development of our iron industry will be with the use of Colorado and Utah coke. Utah has a considerable area of good coking coal.

Mr. UNDERWOOD. There are large deposits of iron ore also in Montana, and not very remote from Great Falls, are there not?

Mr. MONDELL. I do not know as to the iron deposits of Montana. I am not informed in regard to them. However, the importation of bituminous coal would not of itself necessarily affect the development of those deposits. That, of course, would be a question of coke.

Mr. UNDERWOOD. That is true, but either coke or coal must come in, to develop those Montana deposits, from the Canadian border.

Mr. MONDELL. The Wyoming coals and some of the Montana coals are used successfully for all of the metal smelting that is done in Montana.

Mr. UNDERWOOD. I understood that; but they can not make coke out of that.

Mr. MONDELL. No; they can not.

Mr. UNDERWOOD. And to make iron or steel you have to have coke?

Mr. MONDELL. Under present conditions, unless we shall develop electric processes, which we are likely to develop; in which event there are millions of acres of low-grade lignites in the immediate vicinity of those Wyoming and Montana deposits which could be used to great advantage in generating electricity; and the gentleman is aware that in an experimental way, at least, steel has been produced—and the gentlemen of the Geological Survey say has been produced, they believe, on a commercial basis, a basis of commercial economy—with the use of electricity. I desire to again emphasize the fact that my argument for the tariff is not based to any considerable extent on the comparative qualities of the coals. That is simply one factor. If our coal were as good as the Canadian coal in every respect as a steamer and for smelting purposes, even then we could not compete with the Canadian mines, owing to their proximity to the market, and to their lower wage rate, particularly to the latter. So we need protection against the lower wage rate and against the advantage in transportation which the Canadian coals

have; but if we simply took into consideration the condition in the wage scale alone, that in itself is enough to warrant the present duty on coal.

Mr. BONYNGE. How does the Colorado coal compare with the Canadian coal?

Mr. MONDELL. Colorado has some coal as good as the best in the Crows Nest Pass regions. Colorado has all grades of coal, from the very low-grade lignite to a very excellent grade of semianthracite coal.

Mr. BONYNGE. You can get your supply of that class of coal from Colorado, then?

Mr. MONDELL. Yes; we can.

Mr. BONYNGE. Better than you could from Canada?

Mr. MONDELL. Well, with a haul of less than half the distance, so far as we are concerned in Wyoming.

STATEMENT OF W. J. CARNEY, OF CHICAGO, ILL., WHO CLAIMS THAT AMERICAN COAL PRODUCERS ARE ALREADY SUFFERING FROM CANADIAN COMPETITION.

SATURDAY, *December 19, 1908.*

(The witness was duly sworn by the chairman.)

Mr. CARNEY. I do not think I can add to what Mr. Mondell has said, except that we are now suffering from this Canadian coal coming into our territory. Our mines are only running four or five days a week.

Mr. GAINES. Where is your mine?

Mr. CARNEY. At Sheridan, Wyo.—near Sheridan, Wyo. During the summer we only ran three or four days. Our trade has fallen off in Washington, where we shipped last year large quantities of our coal; it has fallen off 25 per cent.

The CHAIRMAN. Because the Canadian coal is better?

Mr. CARNEY. Because this Canadian coal is coming in there—

The CHAIRMAN. Because it is a better coal; is that the reason?

Mr. CARNEY. That is the reason, and the less freight, of course, in competition with us.

The CHAIRMAN. How much coal do you mine in Wyoming, altogether?

Mr. CARNEY. Last year the output, I believe, was six or seven million tons.

The CHAIRMAN. And how much was imported into Wyoming from Canada?

Mr. CARNEY. As I heard Mr. Mondell say, something like 410,000 tons into Montana and Washington.

Mr. FORDNEY. Mr. Chairman, the committee has been wanting some information on lumber trusts. Mr. Carney is one of the heaviest lumber men in the country.

The CHAIRMAN. Do not try to open up the lumber question again.

Mr. FORDNEY. He is one of the largest lumber men in the country, and I thought that probably some of the members of the committee would like to ask him some questions in regard to the lumber trust.

The CHAIRMAN. I do not think we want to go into that. We will excuse the witness now, and then if Mr. Fordney wants to recall him to ask him anything about lumber, he can do so.

Mr. FORDNEY. I have not asked to hear him in regard to that.

Mr. MONDELL. Mr. Holbrook and Mr. Gridley have informed me that in view of the considerable number of gentlemen who desire to be heard by the committee, they do not care to take the time of the committee to add anything to what I have stated in regard to our coal industry.

(Mr. Mondell filed the following papers:)

Coal production in States and Territories west of the Mississippi River in 1907, in short tons.

State or Territory.	Quantity.	Value.
	<i>Tons.</i>	
Arkansas.....	2,600,438	\$4,473,603
California.....	24,089	91,813
Colorado.....	10,790,286	15,079,449
Idaho.....	7,588	31,119
Iowa.....	7,574,322	12,258,012
Kansas.....	7,322,410	11,159,698
Missouri.....	3,997,986	6,540,709
Montana.....	2,016,857	3,907,082
Nebraska.....	(c)	(c)
New Mexico.....	2,628,959	3,832,128
North Dakota.....	347,760	560,199
Oklahoma (Indian Territory).....	3,642,638	7,433,914
Oregon.....	70,981	106,304
Texas.....	1,648,069	2,778,811
Utah.....	1,947,607	2,959,769
Washington.....	3,680,532	7,679,801
Wyoming.....	6,252,990	9,732,668
Total.....	51,623,471	88,685,169

* Includes Alaska.

† Includes Nebraska and Nevada.

° Included in Idaho.

Relative wages in coal mines in western Canada and in Montana in 1907.

OUTSIDE OCCUPATIONS.

Occupation.	Montana, October, 1907.		Canada, April, 1907.	
	Wages per day.	Hours per day.	Wages per day.	Hours per day.
Blacksmiths.....	\$3.75	8	\$3.67½	10
Blacksmiths' helpers.....	2.75	8	2.62½	10
Machinists:				
First class.....	4.00	8		
Second class.....	3.50	8		
Machinist.....			3.15-3.67½	10
Machinists' helpers.....			2.62½	10
Teamsters.....	3.00	8	2.62½	10
Timber framer.....	3.00	8	3.15	10
Box-car shovelers.....	3.00	8	2.62½	10
Car repairers.....	3.50	8	3.15	10
Car repairers' helpers.....	2.75	8		
Carpenter.....	3.75	8	3.67½	10
Carpenters' helpers.....			2.62½	10
Firemen.....	3.15	8	3.67½	12
{.....			2.62½	8
Fan firemen.....	3.35	8	3.15	12
Oilier and wiper.....	3.00	8		
Wiper.....			2.62½	12
Breaker oilier.....			2.62½	11
Washer or tippie oilier.....			2.62½	11
Oilers:				
Men.....			2.25	10
Boys.....			1.50	10

Relative wages in coal mines in western Canada, etc.—Continued.

OUTSIDE OCCUPATIONS—Continued.

Occupation:	Montana, October, 1907.		Canada, April, 1907.	
	Wages per day.	Hours per day.	Wages per day.	Hours per day.
Head dumpers.....	\$3.00	8		
Tippie dumpers:				
Men.....			\$2.00	10
Boys.....			1.50	10
Engineer:				
First class.....	4.00	8		
Second class.....	3.50	8		
Power-house engineers.....				
.....			3.67	12
.....			3.15	8
.....			3.67	10
Tall rope engineers.....			3.36	8
Breaker engineers.....			3.15	10
Box-car-loader engineers.....			3.15	10
Tippie engineers.....			3.15	10
Locomotive engineers.....			3.15	10
Locomotive engineers' helpers or switchmen.....			2.75	10
Hoisting engineer.....			2.50	8
Outside labor, not classified.....	2.75	8		
All other outside labor.....			2.25	10

INSIDE OCCUPATIONS.

Drivers.....	\$3.60	8	\$2.75	8
Drivers in wet places.....			3.00	8
Rope riders.....	3.40	8	2.75	8
Main rope.....	3.75	8		
Main and tall men.....			3.00	8
Parting men and connection men.....	3.25	8		
Boy couplers and partings.....	2.25	8		
Couplers:				
Men.....			2.00	8
Boys.....			1.50	8
Bucker boys.....	2.35	8		
Buckers.....			2.60	8
Motorman.....	3.50	8		
Inside engineer.....	3.25	8		
Locomotive engineer or motorman.....			2.50	8
Locomotive switchmen or motormen's helpers.....			2.00	8

THE OWL CREEK COAL COMPANY, OF WYOMING, OPPOSES REMOVAL OF DUTY FROM BITUMINOUS COAL.

AMITYVILLE, N. Y., December 21, 1908

Hon. S. E. PAYNE,

Chairman Committee on Ways and Means.

DEAR SIR: I am president of the Owl Creek Coal Company, of Wyoming. We have invested \$300,000 in opening a large coal mine, which we have opened under extraordinary difficulties. Our market is almost exclusively throughout the State of Montana. All the coals of Wyoming and Montana are lignite.

The coals of Canada, Province of Alberta, lying just north of Montana, are bituminous.

If you remove the duty, the coals of Canada must largely drive us out of the Montana market, in which event many of the mines in Wyoming and Montana will be obliged to close down, thereby depriving thousands of coal miners of work or driving them to Canada for

employment. It will have the effect to virtually depopulate a number of towns and retard the development of northwestern Wyoming and a large part of Montana for many years to come.

We, with other coal operators, opened our mines relying upon the tariff protecting us against Canadian coal. It therefore seems very unfair that just as we are getting into active operation, and after we have invested \$300,000 cash, the tariff should be removed, causing us great loss and damage.

If this tariff be removed, then the United States should give a corresponding bounty to encourage the production of American coal, because it is impossible for the mines of Wyoming and Montana to produce and sell their coal any cheaper than they are now doing and make a living profit. The competition between the mines of Wyoming and Montana is fierce enough without exposing us to the competition to the first-class bituminous coking coals of Alberta, just across the border, where the government fosters and encourages mining of coal in every possible manner, where labor is cheaper, and conditions generally more favorable for economical working of the mines than in Montana and Wyoming.

While I am unacquainted with the conditions in Washington, yet it appears to me that the free importation of Canadian coal will be ruinous to the local mines of the State of Washington, as well as putting a great damper upon the infant coal industries of Alaska.

If, notwithstanding the weighty reasons against any removal of the duty on coal, your committee should decide that it should go, then, in common justice to the American mines and American miners, the date when such duty should be removed should be fixed at a period at least five years in the future in order that the American producers and miners can have time within which to prepare themselves for the disastrous effects of such action.

Very respectfully, yours,

RUFUS J. IRELAND.

WESTERN PENNSYLVANIA COAL PRODUCERS FILE BRIEF RELATIVE TO RECIPROCAL FREE COAL WITH CANADA.

WASHINGTON, D. C., *January 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned coal producers of that section of western Pennsylvania known as the Pittsburgh district, with an annual output of 40,000,000 tons of bituminous coal, respectfully urge that everything possible be done to establish reciprocal coal trade with the Dominion of Canada, and submit the following argument:

The question of the coal supply on either side of our northern boundary line is one controlled entirely by geographical conditions. In Canada the available deposits of coal are found in Nova Scotia and New Brunswick, in the Rocky Mountain region and in the Island of Vancouver. In the United States there is practically no bituminous coal found east of the Appalachian Mountains, and, excepting a few lignite deposits, there is none west of the Rocky Mountains. The large territory in Canada from a point 100 miles west of Montreal to another 200 or 300 miles west of Winnipeg finds in the

central coal fields of the United States its most natural source of supply; hence the quantity of Canadian coal that can come into the United States at the extreme eastern and western sections is much more than offset by that which goes to supply the requirements of the great interior section of the Dominion.

During the year ending June 30, 1908, the bituminous coal exported from the United States to Canada aggregated 6,851,700 tons, while the imports amounted to 1,255,036 tons, about one-half of which was from Nova Scotia and shipped to New England ports. Practically all of the coal sent to Canada was from the western Pennsylvania and Ohio fields.

The demand for coal in Canada is rapidly increasing, as a result of the construction of new systems of railroads, notably the Grand Trunk Pacific, which is to extend from ocean to ocean, the Canadian Northern, extending from Lake Superior through the great wheat fields of Manitoba, Saskatchewan, and Alberta, with a line projected from Winnipeg to Hudson Bay, and the Canadian Pacific, making extensions in the so-called Canadian Northwest. These roads have on their lines, or on projected lines in Alberta, coal of an inferior quality to that produced in Pennsylvania, but which they will use unless our coal can be delivered to them at a lower price than at present. The only way that the price can be reduced is by a reduction of the tariff, and we have reason to believe that if the United States will remove the tariff on coal coming from Canada, the Canadian Parliament will take similar action on that going from the United States. This action will materially stimulate the consumption of American coals, especially in the Province of Ontario, affording a decidedly increased market to the American producers.

A large portion of the coal now being exported to Canada is used by the railroads, who receive it during the season of navigation on the Great Lakes, which covers the months from April to November; and taking it as they do in these months provides labor for many thousands of miners, who otherwise would be only partially employed. This coal is carried to the Canadian ports on the Great Lakes from ports on Lake Erie for the most part in American bottoms, and gives employment to miners who dig the coal, railroad men who assist in its transportation, dock employees at Lake Erie ports, where it is transferred to vessels, and to large numbers of men employed on the vessels. With the increased tonnage sought, the number of men employed will increase proportionately.

In our opinion, the fear expressed by some interests engaged in mining coal in West Virginia and central Pennsylvania fields, that the abolition of the tariff would permit large quantities of Nova Scotia coal to come into New England ports, and thereby displace coal from the fields named, is not well founded. We believe that the development of the country in the Province of Quebec by the construction of the Grand Trunk Pacific Railway will greatly increase the quantity of coal used from Nova Scotia, thereby absorbing the product of the Nova Scotia producers to an extent that will not permit them to increase their shipments materially to any New England ports.

It is worthy of note, in this connection, that during the years 1902 and 1903, when the demand for bituminous coal was extraordinary, because of the anthracite strike, lasting from May 12 to October 24,

1902, the imports of Nova Scotia coal did not materially increase, notwithstanding that Congress remitted the duty on all coal for the year 1903, as is shown by the following figures from the department of mines of Nova Scotia under the heading "Nova Scotia exported to the United States:"

	Tons.
1901.....	590, 086
1902.....	751, 382
1903.....	968, 832
1904.....	713, 170
1905.....	652, 538
1906.....	769, 775
1907.....	616, 312

The average for the seven years being 723,157 tons.

The fact that our imports in the year when the tariff was suspended showed an increase of but 145,675 tons over the average imports for the seven years is evidence that the Nova Scotia coal is not likely to seriously displace that produced in the United States.

The position of the operators signing this paper is that if the Canadian government does not abolish its duty on coal the present tariff be not disturbed.

Pittsburgh Coal Company, by W. R. Woodford, vice president; The Monongahela River Consolidated Coal & Coke Co., by A. Dempster, chairman; Pittsburgh-Buffalo Co., by John H. Jones, president; Pittsburgh Westmoreland Coal Co., by D. W. Kuhn, chairman board; The Youghiogheny & Ohio Coal Co., by J. G. Patterson, vice president; Carnegie Coal Co., by J. T. M. Stoneroad, secretary-treasurer; Crescent Coal Co., by Sam'l A. Taylor, president; Mifflin Coal Co., by J. M. Taylor, treasurer; Blaine Coal Company, by H. A. Kuhn, president; Dunkirk Gas Coal Company, by H. A. Andrews, treasurer; The Fayette Coal Co., by A. M. Bell, assistant treasurer; United Coal Co., by W. S. Kuhn, president; Henderson Coal Co., by W. M. Henderson, president; Diamond Coal & Coke Co., by A. H. Stolzenbach, assistant treasurer; Dilworth Coal Co., by R. M. Mackenzie treasurer; Peoples Coal Co., by J. W. Friend; Pan-Handle Mining Co., by G. E. Blyth; Pittsburgh & Erie Coal Co., by W. A. Luce, mine manager; Verner Coal & Coke Co., by Thomas Beadling, general manager; New York & Cleveland Gas Coal Co., by Geo. Z. Hosack, president; Rex Carbon Coal Co., by R. T. Donaldson, general manager; Bulger Block Coal Co., by J. W. Wocmer, general manager; John M. Greek & Co., by John M. Greek; Mesgrove Coal Co., J. H. Sanford Coal Co., by J. H. Sanford, president; Mansfield Coal & Coke Co., by W. H. Shinn, secretary; Charleroi Coal Co., by Jesse K. Johnson, general manager; Creighton Coal Co., by J. K. Johnson, general manager.

**THE SEATTLE (WASH.) CHAMBER OF COMMERCE REITERATES
ITS OBJECTION TO REMOVAL OF DUTY FROM COAL.**

SEATTLE, WASH., *January 4, 1909.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: The Seattle Chamber of Commerce has repeatedly and emphatically protested against the removal of the duty on coal, and its position on that important question is unalterable.

Mr. F. A. Hill, a consulting engineer of this city, on December 30, 1908, addressed to you a letter on this subject which I have carefully studied, and to which I respectfully direct your attention. From my personal knowledge of the subject, I feel that I am justified in saying that Mr. Hill's statements as contained in his letter are absolutely correct.

Sincerely hoping that your influence will be in favor of continuing protection to this industry which is of such vital importance in the development of the Northwest, and particularly of the State of Washington, I am,

Very respectfully, yours,

JOHN H. MCGRAW,
President Seattle Chamber of Commerce.

**F. A. HILL, SEATTLE, WASH., SUBMITS BRIEF IN OPPOSITION TO
REMOVAL OF DUTY FROM BITUMINOUS COAL.**

SEATTLE, WASH., *January 14, 1909.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: I beg leave to submit statement of facts relating to the coal-mining industry of the State of Washington, also arguments presented herewith by the mine operators of that State showing why, in their opinion, the duty on coal should not be removed. I hope that your honorable committee will give this matter due consideration, because it has a vital bearing in the development of a large industry in our State.

The coal mines of Washington produced in the year 1907, 3,680,532 tons, of which amount the Northwestern Improvement Company produced 1,782,964 tons, practically all of which went to the Northern Pacific Railway; this leaves for the commercial mines 1,897,568 tons.

The total cost of all this coal mined was \$7,678,801, or \$2.04 per ton. Eighty per cent of this cost is labor, or a pay roll of \$6,143,840. There were 5,945 employees in the Washington mines in 1907.

The employees engaged in coal mining in the coast district of British Columbia and the proportion of each class are as follows:

	Number.	Per cent.
Supervision and clerical.....	117	3.1
Whites:		
Miners.....	1,160	30.8
Miners' helpers.....	440	11.7
Laborers.....	632	16.8
Mechanics and skilled laborers.....	314	8.3
Boys.....	166	4.4
Japanese.....	174	4.6
Chinese.....	743	19.7
Indians and Hindus.....	23	.6
Total.....	3,769	100.0

Of the numbers scheduled above, 20.3 per cent are boys—Japanese, Chinese, Indians, and Hindus—receiving \$1.35 to \$1.75 per day as against \$1.75 to \$2.75 per day for the same class of labor in the State of Washington.

In the matter of miners, helpers, and laborers the same class of men receive 10 to 15 per cent more in Washington than they are paid in British Columbia. No Asiatic labor is employed in the Washington mines.

The cost of producing coal from the Washington mines has steadily increased the past five years, advancing wages, greater depths in mining, eight instead of ten hours for a day's work have all had their effect on increased cost.

In the matter of wages the average earnings of mine employees in 1903 was \$2.46 per day of ten hours, in 1907, \$3.19 per day of eight hours, an advance in wages of 30 per cent, a decrease in hours of 20 per cent, so that the advance cost represents at least 40 per cent to the mine owners.

The miners of this State are exceptionally fine men, and as miners can not be excelled. They are justly entitled to receive the best wages paid in the country.

Unlike all the other coal fields of the United States, the Washington fields are badly faulted and contorted, and there is no comparison between the Washington fields and those of British Columbia and Alberta, Canada.

The physical conditions surrounding our coal mines make them very difficult and costly to operate. This is applicable to all the commercial mines.

The coal from the Washington mines is bituminous, semibituminous, and lignite; very much lower in B. t. u. than the high-grade bituminous coals of British Columbia and Alberta.

The mines of British Columbia can produce coal at a cost of \$1.40 to \$1.80 per ton, those of Alberta at a cost of \$1.10 to \$1.30 per ton.

The freight rate on coal from Vancouver Island points is \$0.75 per ton to Puget Sound points.

The freight rate from the Fernie fields, in British Columbia, to Spokane is \$2.25 per ton, and from the Alberta fields to Spokane is \$2.75 to \$3.15 per ton.

The freight rate from the Roslyn district, Washington, to Spokane, Wash., is \$2.50 per ton, and from the Western Cascade district to Spokane, \$3 per ton.

The commercial coal mines of the State of Washington produce less than 20 per cent of lump or house coal. The coal, being very

friable, breaks up in handling and will, when shipped by vessel, reach dealers in San Francisco 65 per cent lump and 35 per cent screenings, and on board cars to any Washington dealers, 85 per cent lump and 15 per cent screenings.

The Vancouver Island coals are hard and reach dealers with less than 10 per cent screenings.

The wholesale prices of foreign coal in San Francisco during the years of 1902-3 were as follows:

	1903.	1902.
Wellington, screened.....	\$8.00	\$8.00
Wellington, screenings.....	4.50	4.25-4.50
Wellsend, average.....	6.50	6.50
Hetton, screened.....	7.00	7.00
Hetton, average.....	6.50	6.50
Gretta, screened.....	7.00	7.00
Gretta, average.....	6.50	6.25
Cannel.....	9.00	9.00
Welsh anthracite, average.....	9.00	8.50
Welsh anthracite, egg.....	13.00	13.00
Welsh anthracite, lump.....	11.50	11.50
Cardiff.....	9.00-9.50	9.00
Lelaw-Nain or Richmond.....	7.50	7.50

No duty 1903. Who received it?

Which shows that that duty being off in 1903 did not lessen the selling price of coal.

All coal shipped from one port in the United States to another must be sent in United States registered vessels. From any foreign port to United States ports it is shipped in foreign registered vessels.

It has been shown that the people of San Francisco did not receive any benefit in 1903 by reason of no duty, the price of coal remaining the same as it was in 1902.

The mines producing the largest tonnage in the Fernie (British Columbia) field, 876,731 tons in 1907, are controlled by United States railroad owners.

The exports and imports of coal between the United States and Canada are as follows (see Mineral Industry):

	1902.	1903.	1904.	1905.	1906.
Exports.....	4,468,953	6,535,863	6,577,954	6,964,630	7,533,346
Imports.....	1,678,919	1,613,426	1,211,304	1,331,292	1,427,731
Difference.....	2,790,034	4,922,437	5,366,650	5,633,338	6,105,615

The exports are 95 per cent by way of the Great Lakes. The imports from Canada are one-half into Washington markets, and the other one-half into New England points.

House or lump coal sells in Seattle by the ton at \$5, nut coal at \$3.75, and screenings for steam use at \$2.25. The proportion of these coals as mined and shipped are 40 per cent lump, 20 per cent nut, and 40 per cent screenings. The mine owner realizes at the mines for the principal coals of this description as follows:

40 per cent lump, at \$3.75.....	\$1.50
20 per cent nut, at \$2.25.....	.45
40 per cent pea, at \$1.25.....	.50
Total.....	2.45

These coals cost f. o. b. mines \$2 to \$2.30 per ton to produce.

It costs two to two and one-half times to put commercial coal f. o. b. in the State of Washington than it does in Pittsburg or the middle west district.

To produce, open, develop, and ship 500 tons of coal per day from Washington mines requires approximately an investment of \$500,000.

There is an abundance of good coking coal in the State undeveloped.

ARGUMENT.

The above are facts. The State of Washington mine owners and employees submit that the reasons given above fully entitle them to ample protection for the coal industry and that the present rate of duty on coal and coke should remain.

It has been shown that fully one-half of the coal coming into the United States comes in direct competition with Washington, Montana, Oregon, and Wyoming coal.

For the commercial coal mines of the State of Washington to compete with the British Columbia and Alberta coal, if the duty is removed, means that all the small mines will have to close down, that the wages paid in all the other mines will be cut at least 30 per cent, and with this cut in wages nothing like the capacity of the mines, as they are now producing, can be expected. Where there is now a contented and well-paid lot of employees, there would be poorly paid employees, distress and dissatisfaction, as the mines would be run fewer days in the year.

The best mine employees would leave their homes for the neighboring provinces or cutting into other lines of work, and the country would lose desirable citizens.

The State of Washington coal mines would then be left in such condition that if an active demand came for coal, as it did in the winter of 1906-7, the supply could not be met, and the people of Washington would pay more additional money for their fuel in one year than the benefits accruing to all the rest of the country would amount to in five years.

During the winter of 1906-7, while the temporary shortage occurred, the British Columbia mines would not sell any coal for the market in this State, and their coast mines would not take care of coal depots in Alaska that they had been supplying for years.

You will ask why they refused to furnish this coal, and I will answer by saying that their agent in San Francisco had raised the price of coal from \$12 to \$15 per ton, and they wanted that extra \$3 and they did not have the nerve to tell us that we could have it by paying the extra \$3; they simply told us that they did not have it to spare.

In view of these facts it does not look as though the removal of the duty on coal would have the effect of protecting the consumer as regards prices or supply. It appears to me that the only way to do this would be to keep the duty on coal and encourage the development of the mines in the United States. In that way our country would be developed and enough coal would be mined so that local competition would keep prices down to where they should be.

It is a well-known fact that had the duty been off of coal from 1891 to 1897 all of the mines in Washington would have been forced

to close down, as the British Columbia mines would have flooded the market with their product at a price that the Washington operator could not meet, as they were even then selling their coal at so small a margin of profit that they could hardly continue to operate. At the present time British Columbia coal is being sold to the consumer in Seattle at \$7 per ton, but certain retail dealers get a rebate of 75 cents per ton, with an ironclad agreement that they will not sell to the consumer for less than \$7. In view of these facts, who would benefit by a reduction in the duty—not the consumer, nor the retail dealer, but the British Columbia mine operator. He would pocket the 67 cents and smile at making money so easy, and then he could smile again, because, on account of Washington mines closing down, large numbers of miners looking for work would go to British Columbia, and that would enable the British Columbia operator to reduce wages.

In order to keep the coal price stable on the Pacific coast, Washington mines must be protected so that the coal mines can be kept open and working regularly. It is impossible to let our mines lie idle for a year and then reopen quickly and go to work. Physical reasons prevent this, and to keep miners that can do work in the mines of this State the mines have to be regularly worked.

Washington coal will not stock; hence accumulation of stocks of coal can not be made to take care of sudden emergencies or demands for coal.

It has been shown that the freight rate from the Alberta coal field is \$2.75 to \$3.15 per ton to Spokane, Wash.; from the Washington field it is \$2.50 to \$3 per ton. The cost of producing coal in the Alberta district is \$1.10 to \$1.20 per ton, while it is \$2.04 in the Washington field. The Alberta mine owners have largely increased their shipments to Spokane the past year and are, with the duty on, competing successfully with Washington and Wyoming coals.

The free duty of 1903 had no effect on Washington for one reason only: Early in 1903 a strike of the Wellington Collieries Company's employees occurred, which lasted a number of months, and the lost ground was not recovered until late in 1903. The Wellington Collieries Company mines four-fifths of the product of the coast mines of British Columbia. Had the strike not occurred, Puget Sound points would have been flooded with the Wellington product.

Remove the duty on coal and the loss to the State of Washington would not be less than \$2,500,000 annually in wages alone. British Columbia mines can produce coal at less cost than the mines of Washington and Oregon. During normal or depressed times they would have a surplus and flood the Washington and Oregon markets and close up our commercial mines. As soon as there was a brisk demand, they, with such mines in this State as could be kept open, would immediately raise the price of the product to a high point, being in position to do so, as the mines of this State would not be able to supply the market. If the 67-cent duty remains on coal, the tonnage of this State will be increased to meet the demand as it may grow. New mines will be opened and are now being opened. Development of new coal mines has been proposed the last sixty days, which will be abandoned should the duty on coal be removed.

Removing the duty on coal could not possibly benefit the New England States to offset the loss to this State. Should the New England

States receive six times as much foreign coal with no duty and they receive the benefit, it would only benefit them \$2,193,521 annually, while the loss in wages alone to this State would be \$2,500,000 annually, with a loss to the operators in invested capital of fully \$6,000,000.

No reciprocal advantage can be gained with Canada. The mineral industry shows from three to five times as much export of American coal into Canada as the imports are from Canada. What advantage does Pittsburg or the Middle West expect to gain by reciprocal arrangement? They now have every advantage in prohibitive distances and freight rates into that part of Canada along the Great Lakes where their product is shipped. The Canadian coal fields lie in the extreme east and west of Canada.

The coal-mine employees of this State realize that it means distress to them, a breaking up of home ties and friends, if the duty on coal is removed or materially changed.

Below is a summing up of a few of the salient facts contained in this article.

SUMMARY.

It has been shown that if the duty is removed from coal the State of Washington will lose in salaries paid miners \$2,500,000 annually, with a loss to the operators in invested capital of possibly \$6,000,000, and should Canada reciprocate and remove the duty on coal going in there the operators of the Middle West and the eastern portion of the United States will be benefited to the extent of \$2,193,521 annually.

It is shown that the country at large will gain nothing by the removal of the duty, because the mine operators of the Middle West and of the East are well protected on account of freight rates—that is, they have a market that can not be touched by anyone else. This shows very plainly that these operators, and they alone, would be benefited by a reciprocal removal of the duty on coal; and this ought to make plain to your committee the reason why the operators of the Middle West and the East are willing that the duty should be removed.

It has been shown in these arguments that the consumer of coal in the State of Washington will not be benefited by the removal of the duty and that the only one that would be benefited is the mine operator of British Columbia.

The removal of the duty would also allow the British Columbia operator to supply all the government posts on Puget Sound and in Alaska, as on account of our shipping laws transportation is so much less from British Columbia ports than they are from United States ports.

I believe your committee will see the inconsistency of passing laws that debar the mine operator of Washington from using cheap Asiatic labor in the mines and at the same time remove the duty on coal that is mined by these Asiatics and allowing it to compete with coal that is mined by high-priced white labor.

The removal of the duty would also affect our shipping on Puget Sound, as it would place the British Columbia operators in a position where they could ship their coal in foreign vessels to all Pacific coast ports.

It has also been shown that the removal of the duty will retard development of a great industry in the State of Washington, for the reason that quite a farm and dairying industry is dependent upon these mines for their market.

I take the liberty of attaching herewith letters from different mine operators of Washington indorsing all that has been said in this argument. I also attach a petition from the miners who work in the coal mines at Renton, Wash. These miners, not having a union, thought best to sign a petition to your committee. I am expecting every day a resolution from the mine workers of America, which resolution is to the effect that they as mine workers are bitterly opposed to the removal of the duty, as they are perfectly well aware that if it is removed a great many of them will be compelled to give up their homes and seek employment in British Columbia. As soon as this resolution arrives I will hand it to you.

Yours, respectfully,

F. A. HILL,
Consulting Engineer.

**SUPPLEMENTAL STATEMENT FILED BY F. A. HILL, SEATTLE,
WASH., RELATIVE TO BITUMINOUS COAL.**

SEATTLE, *February 11, 1909.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: Under date of January 14, 1909, on behalf of the commercial coal-mine operators of the State of Washington, I submitted to your honorable committee a brief on coal duty. Additional facts having been obtained upon this matter, and, as a further consideration, that we are so far removed from the city of Washington that none of the operators were able to appear in person before your honorable committee, they now ask to submit, and you will receive, additional facts and arguments against the removal of duty on coal.

The attached map, showing location of coal industries in Canada and that portion of the United States that ships coal into Canada, compiled from official maps, with tabulation of distance from coal-producing points to the principal coal-consuming points, is for your consideration and study.

For the year 1907 there was imported into the United States 2,103,711 tons of coal (see "Production of Coal, 1907," calendar year, not United States fiscal year). British Columbia exported to the United States 651,076 tons (see "Reports of Minister of Mines for British Columbia, 1907"). Nova Scotia exported to the United States in 1907 616,312 tons (see "Statistics Department of Mines, Nova Scotia, 1907"). This leaves 836,323 tons to come from all other foreign points, part of which came from the province of Alberta, Canada, and approximately 350,000 tons into San Francisco from Australia and other points than British Columbia.

I have not exact statistical information, but I glean that three-fourths of the coal exported from Nova Scotia to the United States consists of slack coal, or that portion of the coal which will go

through a three-fourth inch screen, the duty on which is now 15 cents per ton.

I would refer you to "The Production of Coal in 1907," by Edward W. Parker, United States Geological Survey; for prices of coal, page 61; and for imports and exports of coal, page 62. A study of the condition therein reported, with the prices of coal, shows almost conclusively that the States of Washington, Montana, and Wyoming can not compete with the cheaper-mined coal of Alberta and British Columbia, with their close proximity to the markets of those States.

The Wellington coal mines in British Columbia can ship by water to all Puget Sound points and to Portland, Oreg., at about the same rate per ton as the Washington mines have to pay in freight rates to the same points.

The Crow's Nest field in British Columbia and Alberta, with coal superior to any in Washington, Montana, and Wyoming, is as close or closer to eastern Washington and Montana points than the mines of the States named.

It is seen by the map and table of distance that the Wisconsin, Pennsylvania, and Ohio fields are very much closer to a large part of the Canadian territory than are Nova Scotia and Alberta, and that distance bars coal from those provinces from being used in any of the country in Canada from Montreal to Winnipeg. It is to this section of Canada that the great bulk of the coal shipments from the United States go.

Referring to "Tariff Hearings" and brief of the Western Pennsylvania Coal Producers of January 13, 1909, it is shown that a large portion of the coal now being exported to Canada is used by the railroads. It is also shown that the denser populated districts of Canada are in close proximity to the Pennsylvania coal producers. Why should the people of the United States benefit Canadian railroads or Canadian people by taking off the duty on coal which provides a revenue of a million and a quarter dollars to the United States and protects a pay roll in the United States of at least \$12,000,000, which would if the duty were removed lose the revenue to the United States Government and approximately \$4,000,000 to the mine employee, with a large loss to the mine operator in plants that would necessarily have to close down on account of not being able to produce coal in competition with the cheaper-mined coals of Alberta and British Columbia.

On November 20, 1908, the "National Grange" filed resolutions for free lumber, coal, and iron ore. Quoting from their resolutions March 2: "We believe the duty upon any article should be and never exceed the difference in cost of labor in this country and in foreign countries in the production of such article." Comment is hardly necessary on this. We have shown that our cost exceeds the difference between the present duty and the cost in British Columbia and Alberta. What these costs are in Nova Scotia I do not know, nor in other foreign countries outside of British Columbia and Alberta.

Replying to Mr. Stowell: The Roslyn coal mines, 25 miles west of Ellensburg, belong to the Northern Pacific Railroad, who do not sell coal commercially. There are a few small country banks selling coal, and have been for some time, in Ellensburg, at \$3.50 per ton for run-of-mine or steam coal and for \$5.20 per ton for a screened

lump coal of very superior quality. What Mr. Stowell may have to pay the local dealer for a ton put into his coal shed I do not know.

The Washington commercial coal producers will agree with the last paragraph of Mr. Rufus J. Ireland's communication to you. It is not a theory with us, but a condition, both to the operators and to their workmen, and if for the general good of the United States in the future it is deemed that industries should not be protected, give us time to prepare ourselves for this result.

It is seen by the statistics and by all the matter in "Tariff Hearings" that Washington, Wyoming, and Montana are the States which will suffer by reason of a reduction in the coal duty.

Our industries are comparatively new; and if there is any merit in protection or in tariff for revenue, instead of a 67 cent duty we should have \$1 at least.

Competition on the Atlantic seaboard keeps any foreign coal out that has to be reshipped on any railroad from the coast. Nova Scotia might ship in more tons of coal to those industries directly located on tide water, but competition amongst the coal-mine owners of the United States is keen enough to prevent any coal being shipped from coast points to the interior in the New England States; hence the benefit of a reduction of duty would only come to a few concerns, while it would vitally affect every coal-mine employee in Washington, Montana, and Wyoming.

We simply ask you to do that which is the greatest good to the greatest number of people working and having their homes in the United States.

I desire to correct statement of my former brief, clearly a misprint, as follows: "Of the numbers scheduled above, 20.3 per cent are boys, etc;" should read: "29.3 per cent." This is a matter which vitally affects the Washington coal operator. We are not seeking, nor have we had in over twenty years, any Chinamen or Japanese, and but a small number of boys, working in or around our mines.

The coal-mine owners of this State are, almost to a man, Republicans, and Republican majorities are found in our coal-mining towns. We stand by the tariff plank of 1908 that: "In tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad."

Yours, very truly,

F. A. HILL.

CORK.

[Paragraph 416.]

THE ARMSTRONG CORK COMPANY, PITTSBURG, PA., SUBMITS NEW CLASSIFICATION FOR CORK AND CORK BARKS.

PITTSBURG, PA., *November 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

SIRS: Paragraph No. 416 of Schedule N of the tariff act of 1897 reads:

Cork bark, cut into squares or cubes, eight cents per pound: manufactured corks over three-fourths of an inch in diameter, measured at larger end, fifteen

cents per pound; three-fourths of an inch and less in diameter, measured at larger end, twenty-five cents per pound; cork, artificial, or cork substitutes, manufactured from cork waste and not otherwise provided for, eight cents per pound.

And paragraph 448 reads:

Manufactures of amber, asbestos, bladders, cork, catgut or whip gut or worm gut, or wax, or of which these substances or either of them is the component material of chief value, not specially provided for in this act, twenty-five per centum ad valorem.

If we may so far presume, we would suggest that paragraph 416 be revised to read as follows:

	Per pound.
Cork bark, cut into squares or quarters.....	\$0. 08
Manufactured corks and cork disks over three-fourths of an inch in diameter, measured at larger end.....	. 15
Manufactured corks and cork disks three-fourths of an inch and less in diameter, measured at larger end.....	. 25
Cork bark wholly or partially manufactured for life preservers or life buoys.....	.01½
Cork bark wholly or partially manufactured for cork insoles.....	.05
Cork floats, 3 inches and over in diameter, for nets and seines.....	.03
Blocks, sheets, pipe covering, forms or boards for insulating purposes, made from cork waste or granulated cork.....	.01
Granulated cork.....	.00½
Artificial cork, suberit, or substitutes for natural cork, made from cork waste or granulated cork and not otherwise provided for.....	.06
Manufactures of artificial cork, suberit, or substitutes for natural cork, made from cork waste or granulated cork and not otherwise provided for.....	. 12
Cork paper or split cork thinner than 100 to the inch.....	1. 25

The present tariff on manufactured corks is not higher than necessary to protect the industry in the United States. In 1897, when the present act became law, the value of the importations of cork bark was \$1,323,408 and of manufactured cork bark \$463,740.23. In 1907 these values were \$2,358,873 and \$1,704,030, respectively. This will show that under the present tariff the importations of manufactured corks have increased much faster than those of the unmanufactured cork bark. The average ad valorem duty in 1907 was 22.93 per cent. The approximate value of the corks annually consumed in the United States is \$5,000,000, the importations being about 34 per cent of this amount.

The first clause of paragraph No. 416, Schedule N, reads: "Cork bark cut into squares or cubes, 8 cents per pound." We suggest the substitution of the word "quarters" for cubes. Squares or quarters are the trade terms for the blanks from which corks are cut and the word "cube" is not used.

We suggest the addition of the words "cork disks" to the second clause. Since the enactment of this act cork disks have become a very important article of importation, and the question has arisen whether the word "corks" covers disks. The present tariff of 15 cents per pound has not been sufficient to protect the manufacturers of cork disks in this country, and at least three-fourths of the demand is supplied from abroad, it being cheaper to manufacture them in Spain and pay the specific duty of 15 cents per pound, or the ad valorem duty of 25 per cent for articles not otherwise provided for.

The present tariff does not specifically provide for the duty on cork bark wholly or partially manufactured for life preservers;

cork insoles; cork paper; for cork floats; for cork sheets and forms for insulating purposes; for granulated cork; and for manufactures of artificial cork or cork substitutes. These articles have been imported to a greater or less extent under an ad valorem duty of 25 per cent for articles not otherwise provided for. The result of this is undervaluation, and also attempts to import certain classes of cork products as cork bark unmanufactured. The conscientious importer is at a distinct disadvantage in competing with the less scrupulous ones. As the volume of these importations is not large, it is very difficult for the custom-house officials to find persons to intelligently appraise this merchandise. In our judgment, it would be fairer to all importers to have these items definitely covered by a specific duty, and we think the figures we have suggested are fair and not higher than they should be to protect the industry in the United States. We, ourselves, at the present time are importing cork blanks for making cork soles, seine corks, and cork blocks for life preservers, as we can do so cheaper than we can make them in the United States. We do not see any good reason why the protection on this line should not be sufficient to give the American workmen at least a portion of this work.

We suggest that paragraph 448 of Schedule N remain unchanged in so far as it relates to manufactures of cork.

From 4,000 to 5,000 people are employed in cork making in the United States. Machinery is used to a great extent, and most of it is of American invention, but owing to its first cost and to the many cracks and other defects in cork bark which have to be avoided, it must be worked with care and discrimination to get economical results; therefore, machinery entirely automatic, such as is employed in wood working, can not be used to advantage owing to excessive waste, and intelligent operatives, more or less skilled, are required in the industry. During the past ten years American machinery has been extensively introduced abroad and is now largely employed in Spain and Portugal. On another page we set forth the average wages paid cork workers, both male and female, in the United States and the prices paid for the same labor in Spain and Portugal, the principal cork producing and manufacturing countries, from which it will be seen that the American workman is paid on the average at least four times as much as his European competitor. Much has been said about the ineffectiveness of this cheaply paid foreign labor, but in our own factory in Spain we find that we can and do get as large an output per operative as we do in our factory in Pittsburg, and the piecework prices paid do not exceed one-fourth of those paid for the same work in Pittsburg. The United States manufacturer is further handicapped by the fact that rents and other expenses are also greater and he must provide better buildings for properly housing his operatives and merchandise than are necessary in the milder climate of Spain and Portugal.

In our judgment, a reduction in the present scale of duties will cause a hardship to the American workman, as any material decrease in the protection would necessitate an adjustment of wages to suit the new conditions. Corks, with the exception of cork disks, are not consumed by a few industries, but the output is scattered in comparatively small quantities all over the country.

Since 1897 there has been a gradual and steady decline in the selling price of corks of all kinds in the United States. The market prices are lower now, and were lower during the busy year of 1907 than they were in 1897, when the present act became a law.

We submit the following tables showing the working of the present duties, the wages paid for the different classes of labor in this country and abroad, and some other data which we thought would prove to be of interest and of service to you in reaching a conclusion on this particular part of Schedule N:

Size.	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000 at \$0.15 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
High quality wine corks:	<i>Pounds.</i>			<i>Per cent.</i>		
No. 8, 1½-inch	4.8	\$3.50	\$0.72	20.57	\$4.22	\$4.40
No. 9, 1¼-inch	5.7	3.80	.85½	22.5	4.65½	4.80
Fine quality wine corks for wines, export beers, etc.:						
No. 8, 1½-inch	4.8	2.40	.72	30	3.12	3.24
No. 9, 1¼-inch	5.7	2.80	.85½	30.3	3.65½	3.60
Fine beer corks for steamed beer:						
No. 8, 1½-inch	5	1.80	.75	41.7	2.55	2.56
No. 9, 1¼-inch	6	2.20	.90	40.9	3.10	2.80

At least three-fourths of the bottle corks imported are in the two sizes above mentioned, being used for pint and quart bottles. A few are used of different diameters or longer or shorter lengths, but the duties will show about the same ad valorem equivalent. The labor and expenses of making 1,000 corks of a given size from low quality cork bark are as much or even a little more than for making the same quantity of high-grade corks. Therefore the equivalent ad valorem duty is higher in the low qualities than in the higher grades.

Size.	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000 at \$0.25 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Vial corks, XXXX quality, regular length, Nos. 1 to 6, inclusive.....	<i>Pounds.</i> 0.95	\$0.75	\$0.23½	<i>Per cent.</i> 31½	\$0.98½	\$0.90
Vial corks, XXX quality, regular length, Nos. 1 to 6 inclusive.....	1.0	.58	.25	46	.83	.77
	<i>Weight per 1,000.</i>	<i>Cost in Europe per 1,000.</i>	<i>Duty per 1,000 at \$0.15 per pound.</i>	<i>Ad valorem.</i>	<i>Total cost.</i>	<i>Cost to manufacture in United States.</i>
Cork disks, 1¼-inch diameter by one-ninth of an inch thick	<i>Pounds</i> 0.68	\$0.42	\$0.102	<i>Per cent.</i> 24.3	\$0.522	\$0.58

At least three-fourths of the disks used in this country are imported, as the present duty, which is equivalent to about 24 per cent ad valorem, is not sufficient to protect the industry in the United States.

	Weight per 100 dozen pairs.	Cost in Europe per 100 dozen pairs.	Duty, at \$0.05 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Cork insoles, men's sizes.....	<i>Pounds.</i> 50	\$9.00	\$2.50	<i>Per cent.</i> 2	\$11.50	\$14.00

	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000, at \$0.03 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Seine corks, 5-inch.....	<i>Pounds.</i> 200	\$18.00	\$6.00	<i>Per cent.</i> 33½	\$24.00	\$24.50

LIFE PRESERVER BLOCKS.

	Cost in Europe per set.	Duty, at \$0.14 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Weight per set, 6 pounds.....	\$0.20	\$0.09	<i>Per cent.</i> 45	\$0.29	\$0.30

Formerly almost all of the cork bark wholly or partially manufactured for cork insoles, seine corks, and cork blocks for life preservers was manufactured in the United States. Now the great bulk is imported. To protect our business we have been obliged to manufacture these articles in Spain, it being cheaper to pay the ad valorem duty of 25 per cent than to make them in this country.

Life preservers are made from the cheapest grade of cork bark. The labor is proportionately high to the cost of the material itself, and shows a correspondingly high ad valorem equivalent. Spain also levies an export duty of about one-half cent per pound on cork bark unmanufactured.

	Weight per 1,000 sheets.	Cost in Europe per 1,000.	Duty at 25 per cent ad valorem.	Duty at \$1.25 per pound.	Total cost.	Cost to manufacture in United States.
Cork paper, AA quality:	<i>Pounds.</i>					
5 by 10 inches	0.75	\$5.70	\$1.42½	\$0.94	\$6.64	\$7.00
4 by 6 inches .....	.875	2.85	.71½	.47	3.32	3.50
A quality:						
5 by 10 inches.....	.75	3.45	.86½	.94	4.39	4.75
4 by 6 inches.....	.875	1.75	.43½	.47	2.22	2.40
B quality:						
5 by 10 inches.....	.75	1.50	.37½	.94	2.41	2.80
4 by 6 inches.....	.875	.83	.20½	.47	1.30	1.50

Cork paper is a comparatively new article of manufacture and is principally used for cigarette tips. Approximately 50 per cent of the cost is in labor and factory expenses aside from material. The bulk of this paper is now imported. Owing to the great difference in the value of the several grades there is great inducement to evade the

present ad valorem duty of 25 per cent by undervaluation. Such irregularities are hard to detect owing to the difficulty of finding persons with expert knowledge to intelligently appraise the importations.

Weekly wages paid cork workers.

	United States.	Spain.
Men:		
Cork-bark sorters	\$13.00 to \$15.00	\$3.50 to \$4.50
Slicers	12.00 to 13.00	3.00 to 3.50
Blockers	14.00 to 16.00	3.00 to 3.50
Boys	5.00 to 12.00	1.50 to 3.00
Women:		
Machine operatives.....	5.00 to 8.00	1.20 to 1.50
Sorters.....	6.00 to 9.00	1.20 to 1.50
Packers.....	6.00 to 8.00	

Our factories operate fifty-five hours per week.

The above data as to wages are taken from our own pay rolls in Pittsburg, Pa., and Seville, Spain, and we know are fairly representative of wage conditions in the United States and Spain.

Respectfully submitted.

ARMSTRONG CORK COMPANY,
CHARLES D. ARMSTRONG, *President.*

JOSE TORRES, NEW YORK CITY, OPPOSES ANY INCREASE IN THE DUTIES ON CORK AND CORK PRODUCTS.

NEW YORK CITY, *November 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I am going to give you certain figures with regard to the actual duties on corks. I inclose some of them for your perusal, as I know that the Armstrong Cork Company will try to raise them in some cases, because they claim theirs are an infant industry; also it has been in existence for half a century and can oversell all cork manufacturers of Europe all over the world. I do not give you any other sizes of tapers, because duties being prohibitive, very few have been imported, and only at intervals when the cork trust had raised the prices away up.

If your committee examines the price list of the Diamond Cork Company, of Brooklyn, which is exactly the same as the Armstrong Cork Company, of Pittsburg, as far as the prices and sizes of corks are concerned, you will find that although there are about 600 sizes and qualities of taper corks, only about 30 sizes have been imported in very small quantities during ten years.

In regard to straight corks, which pay 15 cents per pound duty, the machine-cut corks can not be imported to compete with the American product. Large quantities of hand-cut corks were imported several years ago, the hand labor in Europe being cheaper than in America, but these hand-cut corks have been substituted by crown

corks, which are all made in this country. Whatever hand-cut corks are imported, they are left in bond to be shipped to other countries.

The cork disks which are imported now pay 25 per cent duty on its value, although the Armstrong Cork Company are importing theirs at higher prices to make your committee believe that the duty on this article must be increased. I beg your committee to look at the invoices of cork disks of the Crown Cork and Seal Company, of Baltimore, L. Mundet & Son, of Brooklyn, and others to find out the facts. The Crown Cork and Seal Company, of Baltimore, have imported all their disks from Europe for several years back. Lately they came to the conclusion that they can produce the same article here cheaper than they can get it in Europe, and they have opened a large cork factory in Baltimore. Your committee will find out that the importations of cork disks have diminished by one-half or more this year, and this only on account of the Crown Cork and Seal Company having decided to manufacture their own disks. Therefore, no fair protection can be given to the Armstrong Cork Company on this article.

Yours, truly,

JOSE TORRES.

Cost of production of corks by the Diamond Cork Company, of Brooklyn, N. Y., in the past ten months from January to October 31, 1908.

Month.	Sales.	Expenses.	Percentage.
January.....	\$10,828.28	\$3,060.90	33-78
February.....	8,233.96	2,977.88	36-16
March.....	9,911.23	4,538.11	45-78
April.....	12,108.96	2,938.88	24-40
May.....	15,039.81	4,339.97	28-95
June.....	16,357.98	4,761.99	29-11
July.....	12,377.94	5,267.45	42-55
August.....	13,638.70	3,121.09	22-89
September.....	16,318.68	3,954.15	24-22
October.....	16,334.01	4,465.22	27-33
Total.....	131,180.45	40,060.64	
Average.....			30-54

Import duties on taper corks from Nos. 1 to 6 XXX, extra long, used for patent medicines and by retail druggists.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	<i>Ounces.</i>		
No. 1 XXX, extra long, 1.90 pesetas.....	8.25	\$0.12-\$0.87	85
No. 2 XXX, extra long, 2 pesetas.....	11.00	.17- .19	47
No. 3 XXX, extra long, 2.58 pesetas.....	15.20	.23- .75	50
No. 4 XXX, extra long, 2.64 pesetas.....	22.00	.31- .37	71
No. 5 XXX, extra long, 2.83 pesetas.....	25.00	.39- .03	67
No. 6 XXX, extra long, 3.78 pesetas.....	31.00	.48- .44	65

The Spanish peseta is depreciated 12 per cent to-day, and has been for a number of years more than that, but no less.

Import duties on taper corks from Nos. 1 to 6 XX, extra long, used for patent medicines and by retail druggists.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	<i>Ounces.</i>		
No. 1 XX, extra long, 1.10 pesetas.....	8.40	0.12-.25	60
No. 2 XX, extra long, 1.15 pesetas.....	11.20	.16-.38	79
No. 3 XX, extra long, 1.40 pesetas.....	15.40	.22-.75	90
No. 4 XX, extra long, 1.40 pesetas.....	22.40	.29-.75	118
No. 5 XX, extra long, 1.50 pesetas.....	25.90	.39-.20	145
No. 6 XX, extra long, 1.50 pesetas.....	32.20	.54-.40	159

The Spanish peseta is depreciated 12 per cent to-day, and has been for a number of years more than that, but no less.

Import duties on taper corks from Nos. 1 to 6X, extra long, used for patent medicines, inks, mucilages, etc.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	<i>Ounces.</i>		<i>Per cent.</i>
No. 1X extra long, 0.75 peseta.....	9	0.14-0.03	100
No. 2X extra long, 0.75 peseta.....	12	.18-.75	139
No. 3X extra long, 0.75 peseta.....	12	.20-.53	196
No. 4X extra long, 1 peseta.....	21	.37-.50	203
No. 5X extra long, 1.25 pesetas.....	23	.43-.75	194
No. 6X extra long, 1.50 pesetas.....	35	.54-.69	202

This quality is one of the most used in the line of tapers.

The Spanish peseta is depreciated 12 per cent to-day, and has been for a number of years more than that, but no less.

NEW YORK, November 24, 1908.

HON. COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The writer forgot to mail you yesterday the cost of production of taper corks in Spain. No doubt you will be very much surprised when you will see that the taper corks cost more to produce in Spain than in this country; nevertheless this is a fact which you can easily find out by asking the consul-general of Barcelona to report to your committee in regard to this matter. The reason why the cost of production of tapers is higher than the cost of production in this country is because in America they use the best power machines of the latest inventions, while in Spain they produce these corks with hand-power machines.

Cost of production of taper corks in Spain, as per our books in our factory in Palafrugell, 38 per cent of the invoice prices.

Trusting that this will illustrate you in regard to the unfair duties taper corks are paying now, I remain,

Yours, truly,

JOSE TORRES.

**MANUFACTURERS OF CROWN CORKS CLAIM THAT DUTIES ON
CORK DISKS ARE UNNECESSARILY HIGH.**

BROOKLYN, N. Y., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned are manufacturers of crown corks. We beg you to remind your committee that the duties on cork disks are too high at present and beg you to reduce them from 15 cents per pound to 10 cents per pound. Imported cork disks pay now 25 per cent of their value, and by looking at the importations of the Crown Cork and Seal Company, of Baltimore, L. Mundet & Sons, of Brooklyn, and others, you will find this to be a fact, although the Armstrong Cork Company, representing the cork trust, are importing these cork disks at higher prices to make your committee believe that the percentage of duty is not high enough.

If the manufacturers of crown corks have to depend on the cork trust alone for our supply of cork disks, we know that before long we shall be put out of existence. The Armstrong Cork Company, with a capital of \$4,500,000, and the Crown Cork and Seal Company, of Baltimore, with a capital of \$5,000,000, will combine to close up our factories. We can not depend to get our supply of cork disks from the independent cork factories, because these are of no importance and are unable to supply one-third of the demand.

To give your committee a more correct idea of how the cork industry stands now, we give you the capital stock of all the cork factories in the United States, independent of the cork trust: Diamond Cork Company, of Brooklyn, N. Y., capital stock \$10,000; Paddock Cork Company, of Brooklyn, N. Y., capital stock \$60,000; Empire City Cork Company, of Brooklyn, N. Y., capital stock \$25,000; National Cork Company, of Brooklyn, N. Y., capital stock \$20,000; Century Cork Company, of Brooklyn, N. Y., capital stock \$25,000; Trusslow & Fuller, Jersey City, N. J., capital stock \$35,000; Viatemple Brothers, Newark, N. J., capital stock \$5,000; Chicago Cork Works, Chicago, Ill., capital stock \$25,000; total, \$205,000, against the capital of \$4,500,000 of the Armstrong Cork Company.

The patent on the bottle-capping machine will expire April 23, 1909. After that date, no doubt, crown-cork factories will spring up all over the country, but if your committee will shut up the European market for cork disks by not lowering the duty on same, then the monopoly between the Armstrong Cork Company and the Crown Cork and Seal Company, of Baltimore, will be an accomplished fact.

Trusting that our petition will have the careful consideration of your committee, we remain,

Yours, very truly,

MANHATTAN CORK SPECIALTY Co.,
MANUEL PRUNEDA,

Secretary and Treasurer.

AMERICAN CORK SPECIALTY Co.,
JOSEPH H. FITZPATRICK,

Secretary and Treasurer.

**FRANCISCO LLADO FARRELL, OF NEW YORK CITY, ASKS FOR
REDUCTION IN RATES OF DUTY ON CORKS.**SATURDAY, *November 28, 1908.*

Mr. FARRELL. Mr. Chairman and gentlemen of the Committee on Ways and Means, we, the undersigned importers of Spanish and Portuguese corks, beg to protest most strongly against the present excessive rate of duty on corks.

We would briefly call the attention of this committee to the following facts: In the first place, as there are no cork trees or cork woods grown in the United States, it can not be argued that a high protective duty is needed or is in any way necessary to protect this product. Therefore, the only ground for a tariff on this article is for revenue to this Government or to protect home industry in the manufactured article; but in this case there is no necessity for an excessive tariff on corks, inasmuch as the home manufacturers are so highly protected by the excessive tariff that they now control about 85 per cent of the cork industry in this country, and which has practically killed competition with the importers of corks.

Of course, the consumers are the druggists, wine manufacturers, brewers, bottlers, and all users of corks, and must pay for this unnecessarily high rate of duty. A lower tariff would allow of fairer competition, from which these consumers would also receive the benefit.

In this connection we would say that as the direct result of the present excessive rates of duty on imported corks the cork importers have been in a badly demoralized condition for years past, which condition in turn has worked serious damage to the buyers and consumers of corks, who must use them for the bottling of their various kinds of products.

It is a fact that previous to the McKinley and Dingley tariff there were many importers of corks and about an equal number of manufacturers of corks in this country. However, since then the cork importers have been almost wiped out, due to the prohibitive duty on this article. If the present rate of duty continues during the next administration, the cork combination in this country will then have absolute control.

The present excessive tariff on corks has led to the usual undesirable result of giving a few large manufacturers a practical monopoly. In other words, as is well understood in the cork trade, there is a so-called "combination" or "trust," which has agreed on prices and which has driven out its rivals, the importers, and practically controls the output of all kinds of corks.

As long as the present prohibitive rates of duty on corks continue, just so long the cork combination can hold its monopoly against fair competition.

As Spain and Portugal absolutely control the raw material, which is the corkwood, the proposition is now being considered by the above-mentioned Governments to retaliate against our prohibitive tariff by placing an export duty on their corkwood.

If this should be done, it would seriously affect not only our manufacturers of corks, who are shielded against all outside competition by the present high tariff, but all users of corks. And yet there is

no good reason why Spain and Portugal should not treat us to the same kind of prohibitive duties as we have raised up against them, particularly as this is one of their largest industries.

Owing to the great decrease in imports on corks each succeeding year since the McKinley tariff went into effect, there has been a heavy falling off in revenue under the present tariff to this Government.

The statistics, compiled by the Bureau of Statistics in Washington, are wrong respecting the importation of corks for the reason that cork disks and corks, both measuring three-fourths of an inch or over in diameter, are included in the same figures, though two different articles. This is a very important matter for the reason that the statistics show an increase in importation on corks measuring three-fourths of an inch or over, which includes corks and cork disks. Though the importation of cork disks has increased, the importation of corks has decreased very materially, which important matter I request your committee to investigate.

Corkwood is allowed to come in free, while there is a duty of 15 cents a pound on all manufactured corks measuring three-fourths of an inch or over in diameter and 25 cents a pound on all corks measuring under three-fourths of an inch in diameter, which is prohibitive, as every importer of corks knows.

This country exacts the highest duty on corks of any other country in the world.

Without going into the full details we believe, and therefore we ask, that a duty of 8 cents a pound on corks measuring three-fourths of an inch or over and 10 cents a pound on corks under would afford ample protection to the cork manufacturers of this country.

The proposition may be stated briefly, thus: The price of corkwood, which is the raw material, has remained practically the same for the past fifteen or twenty years in Spain and Portugal; but the McKinley tariff raised the duty on the manufactured product 50 per cent. The protective combination has taken advantage of this situation; so that while the raw material, or corkwood, costs the same as before, the trust had gradually raised the prices of corks to the consumers from about 25 to 50 per cent.

Therefore, in conclusion, both in the interests of the revenue to this country and for the benefit of the consumers of corks, we ask this committee to reduce the tariff schedule, as above suggested, to 8 cents a pound on corks measuring three-fourths of an inch or over in diameter and 10 cents a pound on corks measuring under.

**STATEMENT MADE BY JOSEPH TORRES, OF NEW YORK CITY,
RELATIVE TO CORK AND CORK PRODUCTS.**

SATURDAY, November 28, 1908.

Mr. TORRES. I only want five minutes, Mr. Chairman.

The CHAIRMAN. Proceed.

Mr. TORRES. The Armstrong Cork Company, or the "cork trust," as we call them, control 85 per cent of the corks and cork products manufactured in this country. They establish the market prices on these articles and do as they like because they are protected by a tariff ranging from 100 to 200 per cent on imported tapers. The cost of

production in Spain is higher than it is in this country on account of the inferior machinery there in use. The wages are only half of the wages paid in this country. The cost of production in this country is from 25 to 30 per cent of the value of the goods after being made ready for the market. To prove this, I present tables showing the cost of production during the past ten months of the Diamond Cork Company, of Brooklyn. The Armstrong Cork Company can produce their goods much cheaper than the Diamond Cork Company on account of their better facilities and larger production. I give you also a table showing the prices that I get for my taper corks in this country. If you will look at them, you will find that I make 15 per cent gross profit as an average.

If I am able to import tapers and make 15 per cent profit, after paying from 100 to 200 per cent duty on their value in Spain, and the cost of production in Spain is higher than it is in this country, how much profit will the Armstrong Cork Company make on their product? This is a hard nut for your committee to crack. These taper corks are cut in Spain by hand-power machines, and the working girl cuts 20,000 per week and gets \$2 wages. The taper corks in this country are cut by power machines, and one girl feeds these machines at the rate of 75 corks per minute, producing every week 243,000 corks, or 223,000 more than the Spanish girl. The American girl gets from \$4 to \$5 per week. These are facts which it will be easy for your committee to verify. But let us suppose that the Spanish workingman could have the same machines as the Armstrong Cork Company. My experience during twenty-five years of manufacturing on both sides has been that the Spanish workingmen produce about two-thirds of what the American workingmen produces here. Now, then, if we make things to suit the cork trust, and we admit that taper corks can be produced in Spain for one-half of what they can be produced for here, we shall come to the conclusion that it will cost in this country \$30 to produce \$100 worth of corks, while in Spain it will cost only \$15. In other words, to equalize the cost of production the cork trust needs 15 per cent duty on the imported tapers. Now they are protected by from 100 to 200 per cent. Last April the cork trust raised the price on tapers from 20 to 25 per cent. This your committee can find out from any retail druggist in Washington. Could the trust do that if the tapers could be imported from Europe? Why does the cork trust allow me to import tapers? Because I import only about \$20,000 worth a year, and as the cork trust sells over \$1,000,000 worth every year, in order to cut me down altogether they would have to reduce the market price 15 per cent, the profit I make on my goods, and this would be a loss to the trust of over \$150,000 every year. I therefore ask your committee to change the schedule on taper corks from 25 cents per pound, which they pay now, to 10 cents per pound, and on the straight corks from 15 cents per pound, which they pay now, to 8 cents per pound, because if the trust can compete now with the Spanish manufacturers in Porto Rico, Cuba, Mexico, and all the southern republics, they will be able to compete with better advantage in this country provided they limit their profit to 20 or 25 per cent.

I will ask you to note that we do not import any smaller number than No. 1, because there is no sale for them.

(The tables submitted by Mr. Torres are as follows:)

BROOKLYN, N. Y., November 27, 1908.

Duties on imported tapers at 25 cents per pound from Nos. 1 to 6 X, XX, and XXX, extra long, these three qualities being the most used among retail druggists, patent medicine, ink and mucilage manufacturers, etc.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	Ounces.		Per cent.
No. 1 X, extra long, 0.75 peseta.....	9	0.1403	100
No. 2 X, extra long, 0.75 peseta.....	12	.1875	139
No. 3 X, extra long, 0.75 peseta.....	12	.2153	196
No. 4 X, extra long, 1.00 peseta.....	21	.3750	208
No. 5 X, extra long, 1.25 pesetas.....	28	.4375	194
No. 6 X, extra long, 1.50 pesetas.....	35	.5439	202
No. 1 XX, extra long, 1.10 pesetas.....	8.40	.1225	60
No. 2 XX, extra long, 1.15 pesetas.....	11.20	.1638	79
No. 3 XX, extra long, 1.40 pesetas.....	15.40	.2175	80
No. 4 XX, extra long, 1.40 pesetas.....	22.40	.2875	118
No. 5 XX, extra long, 1.50 pesetas.....	25.00	.3120	145
No. 6 XX, extra long, 1.90 pesetas.....	32.20	.5140	159
No. 1 XXX, extra long, 1.90 pesetas.....	8.25	.1287	35
No. 2 XXX, extra long, 2.00 pesetas.....	11	.1719	47
No. 3 XXX, extra long, 2.58 pesetas.....	15.20	.2175	59
No. 4 XXX, extra long, 2.64 pesetas.....	22	.3437	71
No. 5 XXX, extra long, 2.88 pesetas.....	25	.3903	67
No. 6 XXX, extra long, 3.78 pesetas.....	31	.4844	65

The Spanish peseta is depreciated 12 per cent of the gold value.

The average duty on these three qualities of tapers, as it appears, amounts to 101 per cent, but it should pay, according to our invoices, 139 per cent, because there are more Nos. 3, 4, and 5 used in proportion than Nos. 1, 2, and 6.

BROOKLYN, N. Y., November 27, 1908.

Cost of the production of corks by the Diamond Cork Company, of Brooklyn, for the first ten months of 1908.

Month.	Sales.	Expenses.	Percentage.
January.....	\$10,878.28	\$3,660.00	33.78
February.....	8,233.96	2,977.83	36.16
March.....	9,911.23	4,538.11	45.78
April.....	12,108.93	2,933.83	24.40
May.....	15,034.81	4,359.97	28.95
June.....	16,357.98	4,761.99	29.11
July.....	12,377.91	5,267.45	42.55
August.....	14,638.70	3,121.60	22.89
September.....	16,318.68	3,934.15	24.22
October.....	16,331.91	4,465.22	27.33
Total.....	131,180.45	40,069.64	
Average.....			30.54

BROOKLYN, N. Y., November 27, 1908.

Cost, in pesetas, per 1,000 tapers from Spain (the peseta being depreciated 12 per cent of the gold value).

	X.	XX.	XXX.
	<i>Pesetas.</i>	<i>Pesetas.</i>	<i>Pesetas.</i>
No. 1.....	0.75	1.10	1.90
No. 2.....	.75	1.15	2.00
No. 3.....	.75	1.40	2.59
No. 4.....	1.00	1.40	2.64
No. 5.....	1.25	1.50	2.88
No. 6.....	1.50	1.90	3.78

Selling price in the United States per 1,000 tapers.

	X.	XX.	XXX.
No. 1.....	\$0.3102	\$0.5103	\$0.6461
No. 2.....	.3402	.5103	.6461
No. 3.....	.3853	.6384	.8078
No. 4.....	.5163	.7238	.9156
No. 5.....	.7658	.8702	1.0773
No. 6.....	.8939	1.0640	1.3468

Average profit about 15 per cent.

The average duty paid on these tapers is 101 per cent, but they pay more than that, because there are more Nos. 3, 4, and 5 used in proportion than Nos. 1, 2, and 6. The average duty as per our importations should be 139 per cent.

The average cost of producing taper corks in our factory in Palafrugell, Spain, during the last ten years, has been between 35 and 40 per cent of the value of the goods after being ready for the market.

STATEMENT OF FERDINAND GUTMANN, OF NEW YORK CITY, RELATIVE TO DUTIES PLACED ON CORKS.

SATURDAY, November 28, 1908.

The CHAIRMAN. How much time do you want?

Mr. GUTMANN. About fifteen minutes.

The CHAIRMAN. How much?

Mr. GUTMANN. Fifteen minutes.

The CHAIRMAN. Fifteen minutes? I wish you would get along with ten. I guess you had better try.

Mr. GUTMANN. I will if I can.

The CHAIRMAN. There are a good many people here from a distance. If you come here a week from Monday morning we will hear you.

Mr. GUTMANN. I would rather discuss it now, Mr. Chairman.

The CHAIRMAN. All right; ten minutes, then.

Mr. GUTMANN. I am one of the independent cork dealers that is left since the enactment of the recent tariff law. The reason of that is very apparent. If you gentlemen will look at the custom-house records and see what has transpired, it will prove to you that a certain class of goods has been absolutely impossible to import, in spite of the fact that the raw material is on the free list. Gentlemen, the goods that are made in this country are made on the best machines

that have ever been invented in Europe and here, but still there is a duty enacted, or a duty asked, all the way from 60 to 200 per cent. The good reason for that is, as they claim, that they need protection against European manufacturers. This is done entirely by hand work. The result of this has been that the importation of the medium and poorer classes of goods has absolutely been prohibited. It has changed us in this country into using patent stoppers instead of corks altogether, and it is well known all over Europe, in France and Germany, that this country is receiving for its money, so far as the trade is concerned, poorer value than any other country that is buying corks, and the result of it is that we are to-day compelled to use a patent stopper like this which I have in my hand here, because we can not get corks at the proper value.

Gentlemen, I am asking you to regard here one schedule which you have which says: "Corks, three-quarters of an inch and over, 15 cents a pound duty." If you gentlemen will take the trouble to look at what has been imported in recent years of the description of corks that used to be imported, you will find that there is not 20 per cent left of the importation of old, but that 80 per cent is very thin shavings like that which is in that disk which is in that patent stopper, because we can not buy corks as we did of old.

Mr. CALDERHEAD. Where do these corks come from?

Mr. GUTMANN. The disks I have just shown you?

Mr. CALDERHEAD. No; the corks.

Mr. GUTMANN. The corks come from Spain, and the duty that is being paid in 1908 amounts to \$365,000 that was paid, and you will find that 80 per cent of that is for that very article; and it is further proven that the very concern that is controlling to-day 85 per cent of the article in the United States is importing that article itself, because of the very good reason that we have conditions in this country that we can not change, namely, in regard to labor, the question that has controlled this country. We are elegant and can not be surpassed on the machinery end, but we can not show that the great industry that Spain has had for centuries has been supplanted by our labor, and I will prove it by the result of every serious attempt we have made. We have ourselves opened a factory in this country under the greatest cost; we have imported the finest machinery that Europe has; we have engaged the greatest number of help that we could possibly find for that industry; and after a trial of a whole year we have found that it is impossible—you can not show people here that it will pay them to assort goods as we are assorting in Europe. In other words, our young girls who are employed principally for that work are entirely too intelligent, too proud, and are too independent to settle down to so tedious a work, and the result with us has been that we were not able to retain, although we were willing to pay the best wages that are paid for cork sorters in this country, 3 per cent of our entire force, whereas in Europe our record shows that we did not lose 2 per cent during the entire year. This is an industry over there that has been going on for centuries. It is an industry that has held its own. The monopoly here even has had to buy from Europe that very article. And still it is protected by a duty of 15 cents a pound.

**FERDINAND GUTMANN & CO., NEW YORK CITY, FILE BRIEF
RELATIVE TO THE CLASSIFICATION OF CORKS.**NEW YORK, *November 30, 1908.*

Hon. S. E. PAYNE,

Chairman House Committee on Ways and Means.

DEAR SIR: In the interest of the cork industry and in justice to all, I respectfully call your attention to the following conditions:

The tariff on manufactured corks is divided into four schedules.

The duty on corks cut into squares and cubes is 8 cents per pound, whereas the raw material is free of duty. There is so heavy a penalty on the mere cutting up of the bark into squares that no manufacturer in this country can profitably import them, as shown by the total imports for the year ending June 30, 1907, which amounted to \$133 in value, on which duty to the amount of \$17.36 was collected. This item, therefore, may safely be eliminated as anyone manufacturing corks in this country could not possibly pay such an impost and compete with the free raw material. The difference in labor for the mere cutting up of raw material between the cost of labor in Spain and the United States would not be more than half of the amount which the present tariff assesses as duty.

The second schedule is for corks three-fourths inch or less in diameter, which pay 25 cents per pound duty. In the year ending June 30, 1907, the quantity imported was 91,591 pounds, with a value of \$54,413, on which duties to the extent of \$22,897 were levied, an average of 42 per cent ad valorem.

This heavy tax has operated to prohibit the importation of the cheap and medium grades of corks, commonly known as "tapered corks," of which very large quantities are consumed in this country and which, under the present tariff schedules, can not be imported because the tariff on some of the sizes and grades required runs from 60 to 200 per cent ad valorem. The result has been that while the raw material is free of duty, the manufacturing of this class of corks has been confined to a large extent to one large factory, and as their product is turned out by automatic machinery, as compared with the hand labor in Europe, it can readily be seen that there could not possibly be any such difference between the cost of labor in this country and Europe as is represented by the tariff of from 60 to 200 per cent on these particular goods. The consequence has been that the imports in this schedule have been confined almost exclusively to the comparatively small requirements of such consumers as demand only the very highest grade of goods, which the American manufacturer, owing to the entirely automatic nature of his manufacturing, can not produce as against the hand labor of Europe.

The third item in the schedule is on corks over three-fourths inch in diameter, on which a duty of 15 cents per pound is imposed. This schedule showed imports of 2,186,088 pounds, valued at \$1,489,448, upon which duties amounting to \$327,913 were collected for the year ending June 30, 1907, showing an average of 22 per cent ad valorem. The high average price per pound of the imports in this schedule shows clearly that these imports were confined largely to the higher-priced wine and whisky corks, as well as to cork disks or washers,

which are used in large quantities in the manufacture of patent bottle stoppers used on all carbonated as well as still liquids, and which have in recent years become a household article and necessity.

The wine and whisky corks are being manufactured to a great extent in this country by machines, and again the same proposition confronts us as on the smaller tapered corks—that a large volume of business and large revenues are lost to the Government because the raw material is entered free. The goods are manufactured by machinery, although sold as hand-cut corks, and the product being marketed by practically one concern, the tariff affords them a protection which on the cheaper and medium grades varies from 60 to 100 per cent, which, considering the mechanical labor used in this country as against the hand labor in Europe, is clearly exorbitant.

The disks to which I have referred, and which are used in very large quantities, consumption of which will increase rather than diminish, are assessed at 15 cents per pound. It is clearly shown by the imports that the largest manufacturer in this country, and the one who controls practically the entire business in corks in the United States, is compelled to import these disks from Europe because of the fact that the mechanical labor which gives him the advantage on the wine and whisky corks and on the smaller taper corks can not possibly give him the advantage despite the high tariff that he secures in the other schedules. This is due to the fact that these washers are so thin that they must be specially well assorted to prevent the leakage of the liquid through the pores of the cork, and our American labor (girls in this instance) is too intelligent, too quick, too ambitious to be tied down to so tedious and so nerve-racking an industry as the sorting out by hand of the required quality that is demanded in this product.

A very pat illustration of this fact is one that I can cite from my own experience, in view of the fact that one of the firms which I represent in Europe of these very cork disks. In order to facilitate our business here we induced this manufacturer to establish a plant for us in this country, and just about a year ago they decided to make this attempt. They had the advantage of the best mechanical engineers who had installed their concededly perfect plant on the other side; they had the advantage of the head of the firm, who is one of the most capable manufacturers in Europe, and were very confident from investigations that we had made that the duty of 15 cents per pound was more than ample to cover the difference in cost of labor between this country and Europe. They gave the experiment a full year's trial, and after having, at a great cost, equipped a perfect plant in one of the largest floor spaces used for such purpose in this country, at the Bush Terminal factories, after having equipped it with the perfected machinery imported from the other side and the most approved electric motor power which could be secured in this country, they were compelled after one year's trial to dismantle this plant and go back to Europe because they found that the American labor could not be trained to do the very peculiar work which is required on this particular article.

The children from birth over there are trained in this industry, and from the time they toddle around they become accustomed to handling of corks. The sorting of these goods is so trying to the untrained eye, and the labor in itself is so tedious that our experience

is, of the labor we had engaged when our factory was first started here a year ago, there was 3 per cent left when the factory was finally dismantled; in other words, there had been such continuous changes that at the end of one year only 3 per cent of the original organization in that department remained. Our experience in Europe, on the other hand, shows that labor of this kind shows a 2 per cent loss at the end of the year; in other words, at the end of the same year in our European factory we had the same equipment of girls for this labor, with the exception of only 2 per cent, that we had at the beginning of the year.

Given all these elements, does it not seem futile to levy a tax of 15 cents per pound on a material which can not be produced in this country and the import of which could surely be increased if the duty were lowered?

I therefore am firmly of the opinion that the entire schedule with reference to corks could be reduced profitably to the Government, because it would increase imports in certain lines, whereas the American manufacturer could at the same time be amply protected by levying a duty of 10 cents per pound on corks three-fourths inch or less in diameter, and of 9 cents per pound on corks over three-fourths inch in diameter.

The only other item in this schedule is "other manufactures of cork," on which a duty of 25 per cent is levied in this schedule. The items are somewhat numerous, but there is one particular item which to my knowledge is not and can not be produced in this country, and that is cork paper in thin sheets, which is used to considerable extent, and the consumption of which could be materially increased if a reduction in duty were to prevail, and as there is no American manufacturer of this material that can claim that he is producing it, I believe it would be to the advantage of the Government to increase the import of this material, which I believe could be done largely if the duty were reduced to 15 per cent.

Respectfully submitted.

FERDINAND GUTMANN & Co.,
FERDINAND GUTMANN, *President.*

**PHILADELPHIA CORK MANUFACTURERS URGE RETENTION OF
PRESENT DUTIES ON MANUFACTURED CORKS.**

PHILADELPHIA, PA., *November 30, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

SIRS: As cork manufacturers, of Philadelphia, we earnestly appeal to you for the retention of the present duties on manufactured corks. Our reason for this is that the present tariff on manufactured corks is not higher than necessary to protect the industry in the United States. We give as evidence of this the statistics showing the increase of the value of the importations of manufactured corks since the enactment of this law, together with the value of importations of unmanufactured cork bark. The first year after the present act became law the importations of unmanufactured bark amounted to \$1,323,408, and of manufactured corks \$463,740.23; whereas in 1907

the value of the importations of unmanufactured cork bark was \$2,358,873, an increase less than 80 per cent, and in the same year the value of the importations of manufactured corks was \$1,704,030, an increase of almost 200 per cent. The total importations we estimate at about 35 per cent of the consumption in the United States. Spain levies a duty of half a cent per pound on unmanufactured cork bark. The weekly wages paid cork workers in the United States averages about four times as much as is paid for the same labor in Spain and Portugal. Owing to this difference we are unable to compete with foreign manufacturers anywhere except in the United States, and could not do so successfully here without protection. Our business being confined entirely to the United States, the competition among American manufacturers is such that there has been a steady decline in the selling prices, not excepting the year 1907, and are lower now than they were in 1897. The total output of corks is distributed in small quantities throughout the United States.

We estimate that about 5,000 people are employed in this industry in the United States, and a change in the duty would undoubtedly necessitate an adjustment of wages to suit the conditions, as the returns now to the manufacturer on the capital invested are not by any means large; and in order that the present scale of wages paid American cork workers be maintained and a fair return on the money invested by the manufacturer may be had, we urge upon you the importance of the retention of the present duties on all kinds of manufactured corks.

Respectfully submitted,

JUSTUS BRAUER & SON, (INC.).
 J. GEO. BRUECKMANN & SON.
 ALFRED L. BUTZ.
 A. F. STOY & Co.

**CHARLES DE WITT & CO., BALTIMORE, MD., WRITE RELATIVE TO
 CORKS, CORK BARK, AND CORKSCREWS.**

BALTIMORE, *December 2, 1908.*

Chairman PAYNE,

House Ways and Means Committee, Washington, D. C.

DEAR SIR: Cork bark for manufacturing purposes, which is now admitted free, should carry a duty, as all tapered corks made in Europe are practically excluded, owing to the duty of 23 cents per pound, hence the Government loses thereby; and straight or hand-cut corks now carry a duty of 25 cents per pound, and the only reason these are imported, is because some buyers prefer the Spanish hand-cut corks, which are not cut in America. What the Government should have would be more revenue on cork bark, or else admit tapered corks at 10 cents per pound duty instead of 25 cents.

We understand the tariff question, we think; the manufacturers here want high tariffs, the importers here want low tariffs, we don't care anything about the tariff, but what we are writing are the facts, and the writer, Charles De Witt, is willing to appear before the committee if requested to do so, and give any information that he can.

Aprpos of steel wire, etc. We inclose a corkscrew. This corkscrew we are buying from the manufacturer whose invoice we inclose, and

you will note that he charges us 8½ cents per gross. We can buy the same corkscrew, made by the Rockwell Clough Company, of Alton, N. H., at 5½ cents per gross for export only; that is to say the house of Geo. Borgfeldt & Co., New York (jobbers), offered these corkscrews at 5½ cents per gross for export only, or 60 per cent less than home price of the trust, and these were made by the same firm, Rockwell Clough Company, of Alton, N. H. What we are giving you are facts, as you will notice by inclosures.

These corkscrews are sold in this country by the combine at 8½ cents per gross and shipped abroad at 5½ cents.

Please return inclosures.

Truly, yours,

CHARLES DE WITT & Co.,
Manufacturer and Dealer in Machine and Hand Cut Corks.

EXHIBIT A.

NEW YORK, August 22, 1904.

Memorandum of agreement made with Messrs. Charles De Witt & Co., of Baltimore, in regard to their order for 10,000 gross of wire corkscrews:

Messrs. Charles De Witt & Co. will either take delivery of 5,600 gross of corkscrews, subject to approval on the part of Mr. Semler, to be exported to Germany and imported again to Baltimore, at a price not exceeding 5½ cents per gross, plus freight both ways, and, if necessary, an additional 5 per cent commission. In case this proposition is not accepted, Messrs. Charles De Witt & Co. to be indemnified to the amount \$100; the order to be off.

GEO. BORGFELDT & Co.

EXHIBIT B.

NEW YORK, August 3, 1904.

MESSRS. CHARLES DE WITT & Co.,
Baltimore, Md.

GENTLEMEN: We have your favor of July 29 inquiring about the delivery of the 10,000 gross of corkscrews.

We have communicated with the manufacturer by letter and wire and expect to be able to advise you in a day or two.

Yours, truly,

GEO. BORGFELDT & Co.

EXHIBIT C.

AUGUST 8, 1907.

Sold to Charles De Witt & Co., address, Baltimore, Md. Terms, ten days' sight draft. Shipped via Pennsylvania Railroad.

2,703 gross B. bronzed cork rings, \$0.08½----- \$229. 75

Completes order January 16, 1907.

C. T. WILLIAMSON WIRE NOVELTY Co.

EXHIBIT D.

BALTIMORE, *December 10, 1908.*

Mr. REINHARD SCHWABE,
Gerresheim bei Dusseldorf, Germany.

DEAR SIR: We thank you for yours of November 28, and, as you say, the import duty (which is entirely too excessive on these little corkscrews) would prevent anybody in this country from buying any abroad. Your price is all right of $5\frac{1}{2}$ cents per gross, but if you will add about 60 per cent duty they would cost $8\frac{1}{2}$ cents. The wire or steel trust here sell these corkscrews in this country to the consumer at $8\frac{1}{2}$ cents per gross, and for export they meet your price of $5\frac{1}{2}$ cents and ship goods from here to England; that is to say, they will sell their corkscrews in your country at your price, and in this country 60 per cent higher.

Our tariff committee is now working on this question, but we don't anticipate any relief on the tariff matter; and, looking at the matter pecuniarily, we care nothing about it. As we are both jobbers and importers, the tariff question doesn't bother us. If we manufactured goods here, we would want the tariff 100 per cent, so as to shut out competition. If we imported goods manufactured outside of this country, we would want the tariff lowered, so we could fill our pockets with money. And this tariff question, Mr. Schwabe, appears to be an individual, peculiar question. The view that we are giving you is unbiased; the masses and the farmers (and everything comes out of the ground) are slaughtered in this tariff question. Carnegie would never have given away libraries had tariff not been in his favor, and the writer voted for Mr. Taft.

Thanking you very much for the trouble you have taken, we remain,
 Truly yours,

CHARLES DE WITT & Co.,
 CHAS. DE WITT.

**THE CENTURY CORK COMPANY, NEW YORK CITY, ASKS AN
 INCREASE OF DUTY ON CORK DISKS OR WASHERS.**

NEW YORK, *December 2, 1908.*

HON. SERENO E. PAYNE,
Chairman Committee on Ways and Means,

Washington, D. C.

DEAR SIR: Respecting the proposed revision of the tariff, we respectfully suggest that in the interest of domestic manufacturers of corks the duty on cork disks or washers such as are used for crown corks and similar stoppers, should be placed at not less than 25 cents per pound, instead of 15 cents per pound, as under the present tariff.

The making of such stoppers as we have referred to is practically a monopoly of one manufacturer in this country, whose supply of such cork disks is secured from a factory operated entirely for the purpose of producing these cork disks for the manufacturing of the stoppers referred to. This factory, located in Spain, employs, we believe, a larger number of people in producing these cork disks than are employed in all of the cork factories of the United States combined,

and the present duty is not sufficient to allow the domestic manufacturer to compete with these imported cork disks.

Crown corks have to a very great extent displaced the old-style cork stoppers formerly in use, and under present conditions the domestic manufacturer has not even the opportunity to supply the cork disks which are a part of the crown corks referred to.

Cork waste, which is a by-product accumulated in the manufacturing of cork stoppers, is used almost entirely in the manufacturing of linoleum, and because of the fact that it is admitted free of duty the domestic manufacturer can not secure the price to which he should be justly entitled for the cork waste which he accumulates in his manufacturing.

We respectfully point out to you the fact that, on an average, from 66 per cent to 75 per cent of the total amount of cork bark used in manufacturing in a cork factory becomes waste material, and must be disposed of by the manufacturer of corks to reasonably good advantage if he wishes to show any favorable results in the conduct of his business. In fact, we believe that all manufacturers of corks depend mainly on the sum which they realize for their cork waste to show any profit whatever in their manufacturing. We respectfully suggest that cork waste, which is accumulated in the manufacturing of corks, is not a raw material, but is really cork wood partly manufactured. This cork waste is ground into small particles in preparing it for use in the manufacturing of linoleum and similar products, whereas if the cork bark in the original form were used for the purpose it would be necessary to cut it into small pieces before it could be subjected to the grinding process. This we explain to confirm our contention that cork waste is a partly manufactured article of cork, and in justice to domestic manufacturers of corks who depend on the sale of their waste to conduct their business to advantage, we respectfully suggest that there should be a duty of not less than \$5 per ton on this material.

Respectfully submitted.

CENTURY CORK COMPANY,
OSCAR HEYMAN, *President*.

THE NATIONAL CORK COMPANY, BROOKLYN, N. Y., ASKS SPECIFIC DUTIES ON VARIOUS CORK SPECIALTIES.

BROOKLYN, N. Y., *December 2, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We beg your attention to our views on the question of tariff on cork manufactured and partly manufactured.

Under the present rate of duty the importation of corks has increased from \$463,740 in 1897 to \$1,704,030 in 1907, or an increase of 228 per cent, and equaling about one-third the total consumption in this country, while the increase in cork bark or raw material during the same period was about \$1,000,000, or approximately 78 per cent increase.

A large percentage of the increased importation of manufactured corks is made up of cork disks or caps which can not be manufac-

tured here at the cost of imported ones, as they are so thin and light (weighing about 11 gross to the pound) the present rate of duty is not sufficient to protect the home manufacturer, which is also the case with many other manufactured corks, as the wage scale in Spain is about one-fourth of the wages paid the cork workers in this country, and the competition among the manufacturers in this country, of whom there are about twenty, is very keen.

We beg to offer a list of our views on corks and respectfully advocate a change from ad valorem to specific duty on specialties such as seine corks, cork insoles, cork paper, life-preserver block, etc.:

	Per lb.
Corks over $\frac{3}{4}$ -inch diameter large end.....	\$0.15
Corks less than $\frac{3}{4}$ inch.....	.25
Cork bar cut into cubes or squares.....	.08
Life-preserver blocks.....	.01 $\frac{1}{2}$
Cork insoles.....	.05
Seine corks.....	.03
Pipe covering and insulating boards.....	.01
Ground cork.....	.00 $\frac{1}{2}$
Artificial cork.....	.06
Manufactures of artificial cork.....	.12
Cork paper.....	1.25
Cap corks or disks, all sizes.....	.25

Trusting you will give this your earnest consideration, we are,
Very truly, yours,

NATIONAL CORK COMPANY.
D. SUTHERLAND, Jr.

**THE PADDOCK CORK COMPANY, BROOKLYN, N. Y., SUGGESTS A
SCHEDULE OF RATES FOR MANUFACTURES OF CORK.**

BROOKLYN, N. Y., *December 2, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We are greatly worried over the proposed revision of the tariff. A reduction of the present rate of duty would mean the destruction of the entire cork industry of this country and the throwing out of employment of many now engaged in the manufacture of corks.

The introduction of patented stopper devices has during the past ten years revolutionized the entire cork business. Ten years ago the average value per gross of production was between 35 cents and 40 cents. To-day it is not over 15 cents to 20 cents. This reduction of value is due to the universal adoption by the trade of the Crown, Phoenix, and other patented stoppers, and there is left at present for the American manufacturer to produce nothing practically but the so-called druggists' or tapered corks, cork disks, and cork specialties.

During this period, in which the value of the finished product has been more than cut in half, the wages to the operators have increased from 25 per cent to 35 per cent, male operators receiving to-day from

\$12 to \$15 per week, as against \$9 to \$12 per week ten years ago; girl operators, sorters, from \$5 to \$8 per week, as against \$4.50 to \$6 per week in 1897; tapering machine feeders, from \$4.50 to \$5, as against \$3 in 1897. Thus the actual cost of production is more than doubled.

The European manufacturers have the advantage over us in many ways, owing to cheap labor, in some instances one day's pay of our average wage being equal to two or three days' pay in Europe. They can make many of the smaller-sized tapered corks out of scrap, material that it would not pay us to manufacture. Besides, by the introduction of cork-cutting machinery, they are enabled to secure the same daily production per man as in this country.

Ocean freights are also a great handicap. The foreign manufacturer only has to pay on the finished product, while we have to pay on the raw material, from two-thirds to three-fourths of which is cork chips, shavings, and scrap, formerly called "waste," which has a value of about only 1 cent a pound.

The present rate of duty only equalized, approximately, the difference in labor cost as it was at the time the Dingley tariff was adopted. It is insufficient to-day.

We ask, therefore, that at least on the kind of cork and manufactures of cork on which the present duty is so low as to allow yearly increasing quantities to be imported, a sufficient advance be made to overcome this anomaly. We suggest that a specific duty be adopted throughout to prevent fraud and undervaluation.

	Per pound.
Cork disks	\$. 25
We suggest that these disks be classified separately as corks, as they have taken the place of corks, and are being used as such. They can not at present be manufactured in this country in competition with the foreign article. If they could, it would procure profitable employment for thousands of American workmen.	
Manufactured corks, over three-fourths of an inch in diameter, measured at larger end .....	. 15
Manufactured corks, three-quarters of an inch and less in diameter, measured at larger end .....	. 25
Cork bark, cut into squares or quarters, formerly called cubes .....	. 08
Cork paper or split cork, thinner than 100 to the inch	1. 25
Granulated cork .....	. 00½
Cork chips, shavings, or scrap, formerly called "waste" .....	. 00¼

Years ago this was really waste. To-day it is gathered by specially made machinery, kept scrupulously clean, separated from all foreign material and large pieces, entailing much labor and expense in order to keep it properly prepared for the manufacture of linoleum, cork insulation, etc., etc.

We ask that the above schedule of rates be adopted. They are but sufficient to equalize the difference between foreign and domestic labor. We also ask your serious consideration for a duty on cork scrap (waste). Formerly it was not considered of great value—to-day it is the principal source of income, with some factories its value exceeds their net income.

Very respectfully,

PADDOCK CORK CO.
J. T. DINGEE, *President.*

**THE CHICAGO (ILL.) CORK WORKS COMPANY PROTESTS AGAINST
ANY REDUCTION IN DUTY ON CORKS.**

CHICAGO, *December 2, 1908.*

WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: Being unable to appear personally at the hearing allowed persons interested in articles shown in schedule N of the tariff act of 1897, we desire to enter our protest against any reduced rate of duty on corks as contained in paragraph 416.

According to our best judgment, the existing duties are not higher than necessary to protect the American manufacturers and employees against the foreign competition we are compelled to meet. Our material comes mostly from Spain and Portugal, where the wages paid working people are about one-third or less than paid same class of workers in this country.

It may be of interest to you to know the wages paid cork workers in Chicago, viz:

Men:

Cork-bark sorters.....	\$13 to \$14
Blockers.....	12 to 13
Slicers.....	11 to 12

Women sorters.....	5 to 8
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We trust you will see the necessity of allowing the present tariff on corks to remain as it is.

Yours, very truly,

CHICAGO CORK WORKS COMPANY,
S. D. SIMPSON, *President.*

**GEORGE W. LEE, OF PEABODY, MASS., OPPOSES ANY INCREASE OF
THE DUTY ON CUT CORK SOLES FOR SHOES.**

PEABODY, MASS., *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS.

GENTLEMEN: We are advised that there is before you a petition from the Armstrong Cork Company relative to the duty on cut cork soles, in which they make the claim that the duty of 25 per cent ad valorem on a price of 88 cents per gross is not sufficient, and urging the placing of a specific duty of 8 cents per pound on same, and we would like to present for your consideration a few facts of interest having a bearing on the question. We are, to my best knowledge and belief, the only competitor of the Armstrong Cork Company in this line, and we formerly cut our own cork wood. A few years ago, with no solicitation on our part, we were offered imported cut soles at 88 cents per gross, which offer, after due consideration, we accepted. This price we consider equitable and think that the Armstrong Cork Company must have so considered it, as they also bought largely at this price, and discontinued, we presume, because they, with their larger facility, cut them cheaper.

Now, in view of the fact that we are to-day the only users of these soles, and that the imposing of this excessive duty would leave the Armstrong Cork Company a monopoly, we think that you will agree with us that the present duty is sufficient for the protection of an industry of the size of the Armstrong Cork Company, which has long since passed its infancy.

Yours, respectfully,

GEORGE W. LEE.

JOSE TORRES, NEW YORK CITY, FILES SUPPLEMENTAL STATEMENTS RELATIVE TO CUT CORK SOLES.

NEW YORK, *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Armstrong Cork Company has made a petition to your committee that all cork articles paying now ad valorem duties to make them pay specific duties. I am in perfect accord with the Armstrong Company, provided the new duties will be the equivalent of the duties in force now.

The cost in Spain of cork soles as presented by the Armstrong Cork Company is erroneous, as your committee will find out by the inclosed certified invoices. Notice that the soles I import are consigned goods and are sold here at exactly the same prices specified in the consular invoices, as per the sworn statement inclosed of George W. Lee, of Peabody, Mass., the only customer I sell these goods in this country.

The average weight of cork soles as imported is of 5½ pounds per 1 dozen pairs at the rate of 25 per cent ad valorem. They pay about 21 cents duty per dozen pairs. If you put the duty at 8 cents per pound, as requested by the Armstrong Cork Company, they will pay 44 cents per dozen pairs. That is more than double what they pay now. This rate of duty will be prohibitory and the Government will derive no more revenue from these goods.

These cork soles are used by poor people, who will have to stand the raise in price. The equivalent duties should be 4 cents per pound instead of 8 cents, or else no more cork soles will be imported into this country.

Yours, very truly,

JOSE TORRES.

EXHIBIT A.

PEABODY, MASS., *December 2, 1908.*

MR. JOSE TORRES.

DEAR SIR: In answering your letter of November 30, 1908, this is to certify that I have been for several years and am still buying cut-cork soles from Jose Torres, importing the same from Europe, paying 88 cents for men's sizes and 82 for women's sizes, subject to 25 per cent ad valorem duty, and that any increase of duty would practically drive me from business, as the Armstrong Cork Company are reputed to control the corkwood trade, which would prevent the cutting to advantage. In this country men's sizes are sold mostly, about nine-tenths men's to one-tenth women's sizes we import.

Yours, truly,

GEO. W. LEE.

NEW YORK, *December 3, 1908.*

HON. S. W. McCALL, M. C.,
Washington, D. C.

MY DEAR SIR: I address you this correspondence because I have faith that you will do your best to do justice to a citizen of your State. I can furnish you, if desired, with consular invoices dating back to 1900. Mr. George W. Lee can not manufacture the prime article in this country, because he is not engaged in the cork business in general, and can not compete in any way with the powerful cork trust wearing the name of Armstrong Cork Company.

I trust you will remember, when this case comes up, to call the attention of your committee to the injustice of raising the duties over the ones of the present tariff, remembering that Armstrong figures are entirely wrong, as proven by my consular invoices, filed with committee.

The Armstrong Cork Company have a factory in Spain and import their own goods. They can put prices to suit themselves and deceive your committee. Their importations of cork soles have been very small.

Yours, truly,

JOSE TORRES.

THE INTERNATIONAL CORK COMPANY, BROOKLYN, N. Y., THINKS AN INCREASE RATHER THAN A DECREASE OF DUTY IS NECESSARY ON CORK PRODUCTS.

BROOKLYN, N. Y., *December 3, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: We are informed that an attempt is being made to reduce the present tariff rates on corks and cork products, and we ask that you consider our side of the case before making or advocating a change which means so much to all American manufacturers of corks.

When the facts are considered, we are confident that you will undoubtedly decide that, if anything, there should be an increase in many cases. Allow us to submit the following brief review of conditions in our business relative to cork-bark squares or cubes; manufactured corks three-fourths inch or less in diameter of large end; manufactured corks larger than three-fourths inch in diameter of large end; and cork disks one-eighth inch or less in thickness.

The present duty on the above is barely sufficient to protect American manufacturers, and any decrease will make it impossible for manufacturers in this country to compete with the imported corks. However, we think no increase of duty necessary with any of the above, excepting the cork disks referred to above.

These cork disks, used in connection with a tin cap or shell, have taken the place of ordinary corks to a very large extent. The change has come about since the last revision of the tariff. It is an entirely new condition, which explains why these cork disks were never before given serious consideration.

Statistics will show that enormous quantities of these cork disks are imported—in fact, practically all that are used in this country.

Although these cork disks are large in diameter, about $1\frac{1}{8}$ inches, they are very thin, and therefore light in weight. They rightly belong in the class with ordinary bottle corks of three-fourths inch and less in diameter. In order to protect the American manufacturers, as was originally intended, they should be listed separately and charged at 25 cents per pound.

CORK WASTE.

On account of the changed conditions forcing American manufacturers of corks to devote their energies almost exclusively to the manufacture of corks of the smaller sizes, which have a very small

value, the manufacturer looks to the sale of his cork waste almost exclusively for his profits. In manufacturing corks from 60 to 70 per cent of the cork bark is "waste," so you can readily understand the importance of this matter to a manufacturer. Cork waste is now free and can be imported to such advantage that the value of domestic waste is continually decreasing. In order to adequately protect the cork manufacturing industry in this country a sufficient duty should be placed on imported cork waste to allow manufacturers here to dispose of their waste at the same price as formerly. A charge of \$5 per gross ton would be enough. As to artificial cork and products, cork paper and split cork, cork floats for nets, cork insoles, and cork for life-preservers and life buoys, we do not manufacture any of the above articles, known in the trade as "cork specialties." We can only say that on investigation with a view to manufacturing some of these cork products we find that the importation of all these articles, especially cork paper, cork insoles, and life-preserver blocks, is continually increasing and that it is practically impossible for American manufacturers to compete. We therefore advocate an increase in the tariff on all these articles.

All the above is respectfully submitted in full confidence that it will have your best attention, for which we thank you.

Yours, most respectfully,

INTERNATIONAL CORK COMPANY,
JOHN ALBERTI, *Secretary and Treasurer.*

**THE STANDARD CORK COMPANY, CHICAGO, ILL., ASKS THAT
THERE BE NO REDUCTION IN DUTY ON CORKS.**

CHICAGO, *December 4, 1908.*

WAYS AND MEANS COMMITTEE OF THE
HOUSE OF REPRESENTATIVES,
Washington, D. C.

GENTLEMEN: Understanding there is to be a public hearing allowing persons interested in the several articles shown by Schedule N of the tariff act, 1897, and being unable to appear personally at such a hearing, we desire to enter our protest against a reduced rate of duty on corks, contained in paragraph 416.

It is our best judgment that the existing duties are not higher than necessary to protect the American manufacturer and employee against the foreign competition which we are daily meeting. Our material comes almost entirely from Spain and Portugal, where you well know the wages paid to working people are about one-third or less than paid to same class of workers in this country, which run about as follows: Cork sorters, \$12.50 to \$15; blockers, \$11 to \$13; slicers, \$10.50 to \$12; women, \$4.50 to \$8.

We trust you will see the necessity for allowing the present tariff on corks to remain as it is, for we can honestly say that if the duty be reduced we, for one, will be compelled to retire from business.

Yours, respectfully,

STANDARD CORK CO.,
A. W. RIETZ, *President.*

THE R. W. McCREADY CORK COMPANY, CHICAGO, ILL., ASKS PROTECTION FROM SPANISH AND PORTUGUESE LABOR.

CHICAGO, *December 8, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish to enter our protest against the reduction in duty on corks, Schedule N, paragraph 416. If there is any change at all it should be higher and not lower.

To prove which you need not take ours, or any other manufacturer's word for it on the one hand, or the importer's on the other.

All cork, whether manufactured or unmanufactured, used in this country is imported, therefore the government statistics on the article referred to will show whether the present rate is too high or too low.

In 1897, when the present act went into effect, the importations were, in round numbers:

Cork unmanufactured-----	\$1,325,000
Cork manufactured-----	465,000

In 1907 importations were:

Cork unmanufactured-----	\$2,360,000
Cork manufactured-----	1,700,000

The above figures show that unmanufactured increased only 78 per cent, while the manufactured increased 265 per cent. It also shows that in 1897 the proportions were to the whole, unmanufactured, 74 per cent; manufactured, 26 per cent; while the year 1907 shows the proportions to the whole were, unmanufactured, 58.2 per cent; manufactured, 41.8 per cent.

Now, we submit that these figures are conclusive in themselves and need no argument. They show that we need a higher and not a lower schedule. It is impossible for us to compete with the Spanish and Portuguese, who work for about one-fourth of our wages and longer hours at that.

Respectfully submitted.

THE R. W. McCREADY CORK Co.,
E. W. McCREADY.

THE NEWARK (N. J.) CORK WORKS WISHES AN INCREASE OF DUTY ON CORK WASHERS AND CORK DISKS.

NEWARK, N. J., *December 12, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR MR. CHAIRMAN: We are informed that it is the intention of the Congress, at its next session, to revise the tariff on some manufactured articles of cork, also cork chips and shavings.

As we represent a fair percentage of the industry in the United States depending upon a home market for our goods, we respectfully submit herewith for your consideration a few suggestions and recom-

mendations for the protection of the cork manufacturers of the United States.

We respectfully request you to favorably report on an increase from the present rate of 15 cents per pound to 25 cents per pound duty on cork washers and cork disks. Our reason for asking this increase of 10 cents per pound is, at the present low rate we are unable to manufacture disks and washers and meet foreign competition; consequently we lose most of the business in this line which represents thousands of dollars per year to the manufacturers of the United States. With the increased duty we will be able to successfully meet this competition.

We also recommend that cork chips and shavings be removed from the free list, and a duty of \$5 per ton placed thereon. Manufacturers of corks are dependent upon disposing of this branch of their business, which represents a great portion of the cork industry, and at best this is not a lucrative one.

We trust that you will recommend this and make it dutiable as per figure asked, and we know it will be a great benefit to us all.

The present duty on manufactured corks for stopper purposes is satisfactory, and we do not recommend any change. In requesting these changes, we do so for the protection and interest of the cork manufacturers of the United States.

Trusting you will report favorably on the above recommendations and requests, we are,

Yours, very respectfully,

THE NEWARK CORK WORKS (INC.),
E. C. BROWNING.

ARMSTRONG CORK COMPANY, PITTSBURG, PA., FILES SUPPLEMENTAL BRIEF RELATIVE TO CORK INDUSTRY.

PITTSBURG, PA., *December 14, 1908.*

THE WAYS AND MEANS COMMITTEE,
Washington, D. C.

SIRS: Our attention has been called to statements made by Messrs. Francisco Llado Farrell, Joseph Torres, Ferdinand Gutmann, and the Manhattan Cork Specialty Company in regard to the cork manufacturing industry in the United States. As these statements are inaccurate and misleading we feel called upon to reply.

Mr. Farrell states that as no corkwood is produced in the United States it is not necessary to protect the manufactured product and that the present duty is prohibitive. The best answer to this claim is that from 1897 to 1907 under the present law the importation of manufactured cork bark increased 267 per cent, whereas the importation of cork bark unmanufactured—the raw material—increased only 78 per cent. Mr. Farrell asserts that the increase in importations of corks larger than three-fourths inch in diameter consists mostly of cork disks. This is true, but these cork disks are corks used to stopper bottles and each disk takes the place of one of the old-style corks. If his argument proves anything it is that the present duty is not high enough to protect the American manufacturer,

Mr. Farrell says further that owing to the present duty on manufactured corks in this country, Spain and Portugal are considering an export duty on cork bark. The fact is there is now, and has been for many years, an export duty on corkwood. The Spanish export duty is 5 pesetas per 100 kilos, which is equivalent to 40 cents per 100 pounds. In the case of the raw material used for life-preservers, insoles, etc., this duty amounts to from 20 per cent to 40 per cent ad valorem.

Mr. Farrell makes the statement that the cork industry is controlled by a combination which has arbitrarily advanced the prices of corks from 25 per cent to 50 per cent, in spite of the fact that the price of cork bark—the raw material—has not advanced for the last fifteen or twenty years. There are in the United States more than 20 manufacturers of corks entirely independent of each other, and competition in the business is so keen that the average price of corks to the consumer has not increased during the last ten years, notwithstanding the fact that there has been a material advance in the cost of labor and manufacturing supplies of all kinds. There has been an enhancement of 10 per cent to 20 per cent in the value of fine corkwood of all thicknesses during the last five years.

Mr. Torres states that this company controls 85 per cent of the corks and cork products manufactured in the United States. Mr. Farrell asserts that the home manufacturers now control 85 per cent of the corks consumed in the United States. Evidently the importers agreed upon a percentage, but did not have a clear understanding as to how it should be calculated. Both statements are incorrect. A very careful estimate shows the value of manufactured corks, including cork disks, consumed annually in the United States to be about \$6,000,000. Of this amount, the statistics of the United States show that \$1,704,030 were imported in 1907 and the amount of duty paid on the same, \$390,714, making the entire value \$2,194,744. Estimating the domestic consumption at \$6,000,000, it is clearly seen that 36 per cent of this amount is represented in the imported material, making no allowance whatever for an importer's profit.

Mr. Torres states that the cost of manufacturing in Spain is higher than in the United States, with which assertion we do not agree. In our previous statement, we submitted a table of comparative wages actually paid by us in our factories in Pittsburg, Pa., and Seville, Spain, in which we show that the wages in Spain are about one-quarter of those paid in the United States. While our manufacturing in Spain has been confined largely to specialties, we have found by experience that we actually turn out as much per operative in our Seville factory as we do in Pittsburg. Properly organized, led, and drilled, the Spaniard makes a very efficient workman, and we are certain that corks can be manufactured in Spain at one-quarter of the American cost for labor and necessary factory expenses. Modern machinery has been largely introduced into Spain of late years and a large proportion of the so-called Spanish hand-cut corks are now turned out by machine.

Mr. Torres states that we are able to compete in Porto Rico, Cuba, Mexico, and the South American Republics, which statement is incorrect. We do sell some corks in Porto Rico at American prices, but elsewhere we do practically no export business in the cork line, as we have long since found it a waste of time to try to compete with the European manufacturers.

Mr. Torres lays great stress on the high ad valorem equivalents of the 25 cents per pound duty on small tapered corks of low quality, but he forgets to explain that the proportion of these actually used in this country is exceedingly small. We have checked over our sales of corks and find the percentage of this class is 6 per cent of the total. When we remember that the actual labor and other factory expense on 1,000 of these low-grade corks is as much or even a little more than it is on the same quantity of high quality corks of the same size, the specific duty does not seem unjust in this case. Comparatively few small tapers or medicine corks are used in Europe. In making bottle corks seven-eighths inch or larger in diameter the Spanish manufacturers necessarily accumulate considerable scrap or pieces too small for a full cork. This material is sold for little more than the price of waste, and the large element of cost is the labor of squaring and turning to shape.

Very few bottle corks lower in quality than fine beer corks are consumed in this country. The percentage shown by our sales of these cheap bottle corks, taking into account all sizes and lengths, is 2 per cent of the total.

Mr. Gutmann states that corks are manufactured abroad almost entirely by hand. This statement is incorrect, as the German firm which Mr. Gutmann represents in this country is well known to have its factory equipped with modern machinery.

Mr. Gutmann says that on account of the high duty on corks the American consumers have been forced to use crown stoppers. We are surprised that Mr. Gutmann would make this statement. The reason that the patent tin cap known as the crown is so generally used is partly because of its cheapness, but principally because of the ease with which it can be applied to and removed from the bottle. As the tin part of the cap costs very little, and the thin cork disk, one-ninth of an inch thick, requires only about one-tenth as much cork, the cost of the complete crown is from 25 per cent to 50 per cent of that of the old-fashioned cork, depending of course on the quality of the cork. This trade change is not a question of duties, but of the economical advantage of the new style stopper for certain uses. The crown cork requires a special bottle, and for this reason and for the well-known conservatism of the people, its introduction in Europe has been slower than in the United States. However, it is now used extensively in Europe, South America, and the Orient, and in time will certainly displace to great extent the old style cork for certain uses.

Mr. Gutmann refers to the experience of his firm in establishing a factory in this country. The house he represents is an old one in the business and should thoroughly understand all its details, but after a year's trial they found it more economical to manufacture in Germany and pay the United States duties than to pay American wages and American expenses for conducting their business in this country. He refers to the difficulty of finding suitable labor for cork making in the United States, and contrasts it with conditions in Germany. We and other domestic manufacturers have no serious trouble in getting all the operatives we need, provided we pay wages equal to those paid for similar help in other industries. Mr. Gutmann practically says that American conditions are now too difficult to manufacture suc-

cessfully. Why, then, should they be made more so by lowering the duties?

In the statements of the Manhattan Cork Specialty Company, and the American Cork Specialty Company, and of Joseph Torres, of November 28, the charge is made that our company is importing cork disks at fictitiously high prices to deceive your committee into believing that the duty should be raised. In the first place, our company is importing no disks, and, further, we have asked for no increase in duty on this article, although we have stated that the present duty does not protect the American manufacturer. In this connection we call your attention to the fact that the American Cork Specialty Company, the Diamond Cork Company, and L. Mundet & Son, of Brooklyn, are practically one concern, all being controlled by L. Mundet & Son. The Diamond Cork Company are manufacturers of corks, yet the American Cork Specialty Company, which manufactures crown corks, finds it cheaper to import their disks used in these crowns through L. Mundet & Son than to manufacture them here in their own factory, which is run under the name of the Diamond Cork Company.

In Mr. Gutmann's statement of November 28 he calls attention to the small importations of cork squares, alleging it to be due to the duty of 8 cents per pound. The real reason is that very few, probably not 2 per cent, of the corks made in this country are cut from squares, the usual method being to bore or punch the cylindrical cork direct from the strip, thus entirely obviating the making of squares. The duty of 8 cents per pound on squares is not too high, as the labor cost of making squares is at least 60 per cent that of the finished cork.

Mr. Gutmann's statement conveys the impression that tapered corks are generally made by hand in Europe, while in this country it is done by automatic machinery. Mr. Gutmann must know better than this, as the European house he represents has a modern factory equipped with up-to-date machinery for making tapered corks, straight corks, disks, cork paper, and various specialties. Mr. Gutmann tacitly admits this in other parts of his brief.

Mr. Gutmann speaks of the trained labor of Europe, peculiarly fitted for cork making, saying it is practically impossible to teach American operatives to successfully do this work. Our house has made corks and cork products on a large scale for forty years or more in this country, and we now have hundreds of employees who are as highly skilled in this art as any others in the world. It of course requires time and patience and entails considerable expense to train help for this work, but it has been done and can be done again.

Mr. Gutmann claims cork paper can not be made successfully in this country. This is also incorrect, as we have made this material on a large scale for years and are making it to-day—our product being equal in every way to the foreign article. Our company has as large capacity for producing cork paper as any concern in Europe.

Mr. Torres says we ask a specific duty of 8 cents per pound on cork soles, while he claims 4 cents is the equivalent of the present duty. As a matter of fact we recommended 5 cents per pound instead of 8 cents, and believe that if the 5-cent rate is adopted the great majority of these goods will still be imported. We ourselves make these insoles abroad, as we can do so cheaper than we can in this country. We think it is better to have the duty specific, as its collection is easier and more certain. We import more cork insoles

than any other house, which statement can readily be verified by reference to records of the United States customs service. Practically all of the cork-sole blanks used in our business are imported from our Seville factory. Our Spanish factory is located at Seville, in the midst of the great cork-wood producing district of Andalusia. Although manufacturing is carried on more extensively in Catalonia than in Andalusia, this latter province is an important center in the industry. The wages in different parts of Spain vary slightly, but only slightly, and are perhaps a shade higher in Catalonia than in Andalusia, but the Catalans themselves claim to be able to produce cheaper on account of the greater efficiency of their workmen. Our figures of labor costs are from our own pay rolls in Seville and Pittsburg.

The importers in their statements allege that our company is a trust and controls the cork industry. This charge is untrue. As already stated, there are over 20 entirely independent manufacturers in the United States, and the competition in this industry is probably as keen as in any other business in the country. We do not control prices at which manufactures of cork are sold; we have absolutely no price agreements or understandings with other manufacturers; we do not own any corkwood-producing properties or control the raw material in any way; we buy our supplies in Spain, Portugal, and the United States, in the open market, the same as other manufacturers; we own no broad patents on cork-making machinery to give us any advantage over competitors.

To sum up, we have not asked for an advance in duty, but have recommended the placing of certain articles on a specific basis, as we are firm believers in the wisdom of specific duties wherever practicable. In this industry it has been conclusively proved in past years that an ad valorem duty opens the door to fraud through undervaluation and the honest importer is forced out of business. In the working of a specific duty, there is necessarily some variation in the ad valorem equivalents, but as the average ad valorem equivalent for 1907 is 22.93 per cent, and for the first nine months of 1908 about 20.88 per cent, the duty is not high compared with most other manufactured articles.

We earnestly urge your committee to retain the present rates of duties on manufactures of cork and we state most positively that any reduction will work great hardship to the industry in the United States.

Respectfully submitted.

ARMSTRONG CORK COMPANY,
CHAS. D. ARMSTRONG, *President*.

**JOSE TORRES, OF NEW YORK CITY, CLAIMS THAT THE FIGURES
RELATIVE TO LABOR COST FURNISHED BY THE ARMSTRONG
COMPANY ARE MISLEADING.**

NEW YORK, *December 15, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: The brief submitted by the Armstrong Cork Company, which appears in your records, dated November 28, 1908, is full of errors which the writer wants to correct. The wages paid to

the cork workers, which the Armstrong Cork Company claims are paid in the United States and Spain, are entirely unreliable, and I herewith give you a table, and your committee can ascertain whether I or the Armstrong Cork Company is correct:

Weekly wages paid cork workers.

	United States.	Spain.
Men:		
Cork-bark sorters.....	\$12.00 to \$15.00	\$5.50 to \$6.00
Slicers.....	9.00 to 11.00	2.50 to 4.00
Blockers.....	10.00 to 12.00	4.00 and 5.00
Boys.....	5.00 to 6.00	(a)
Women:		
Machine operators.....	4.00 to 5.00	2.50 to 3.00
Sorters.....	6.00 to 7.00	2.40
Packers.....	5.00 to 6.00	4.50 to 5.00

a Hardly any employed.

The Armstrong Cork Company gave your committee the wages paid in Seville, Spain, where they have their own factory. To commence with, Seville is not a manufacturing center, and your committee can easily find out that 95 per cent of the corks imported in this country come from Cataluna, where the cork industry is situated. The writer can appear to your committee and swear to the above facts. He can also give you sworn affidavits from any amount of cork factories in Spain.

The writer is the largest importer of corks from Spain outside of the Crown Cork and Seal Company, of Baltimore. He operates one factory in Palafrugell, Spain, and one in Brooklyn, N. Y.; therefore he ought to know what he is talking about. The cork industry in this country is twice as much protected as it ought to be, and if the manufacturers of corks do not make money it is on account of the great competition they make each other, and it is especially due to the cork trust trying to put their competitors out of the market.

If your committee, to satisfy the Armstrong Cork Company, change the schedule of corks and specialties in any way, shape, or manner, the Government will collect no revenue hereafter from corks or articles made out of cork wood, and the consumer will be at the mercy of the cork trust.

Yours, very truly,

JOSE TORRES.

THE J. H. PADDOCK COMPANY, BROOKLYN, N. Y., URGES MAINTENANCE OF PRESENT DUTIES ON CORKS.

BROOKLYN, N. Y., *December 17, 1908.*

HON. SERENO E. PAYNE,

Chairman of the Ways and Means Committee,

Washington, D. C.

DEAR SIR: As manufacturers of corks, we respectfully ask your consideration of the following facts, in connection with the contemplated revision of the present tariff: In 1897 the value of the cork-wood imported into this country was \$1,323,000, and the value of the

manufactured corks \$463,000. In 1907 the value of the corkwood imported was \$2,358,000, and of the corks \$1,704,000. This shows that under the tariff now in effect the importation of raw material has increased about 75 per cent, while the importation of manufactured corks has increased 225 per cent, and certainly refutes the statements of some of the cork importers made at the hearing at the evening session of November 28 last, that the tariff on manufactured corks was too high. In 1897 the average wages paid employees in this business was: Men, \$10 per week; machine girls, \$3.50 per week; sorters, \$4.50 per week.

The average wages now paid are: Men, \$14 per week; machine girls, \$5 per week; sorters, \$7 per week.

If the tariff is lowered, we will be compelled to decrease the wages of our employees proportionately. We also beg to state that the prices of corks manufactured in this country are not controlled by any trust, as stated by some of the cork importers at the hearing given them. We are one of at least 20 manufacturers, all of whom are absolutely independent, and among whom competition is very keen.

In view of these facts, we ask that the present tariff be at least maintained, if not increased.

Very respectfully, yours,

THE J. H. PADDOCK CO.,
By J. H. PADDOCK.

HERBERT R. LANE & CO., BOSTON, ASK FOR SPECIFIC CLASSIFICATION FOR SHOE CORK AT FIFTEEN PER CENT.

BOSTON, MASS., *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As importers and distributors to shoe manufacturers and jobbers of shoe findings of two articles manufactured for the shoe trade by our English correspondents, the Shepley Mills Linoleum Company, we present same to your honorable board for classification.

SHOE CORK.

An article manufactured from ground cork mixed with linseed oil and applied to a backing of cotton muslin. Represented by sample herewith submitted and marked "Sample A."

We first brought this article into this country in October, 1907, under Schedule N, paragraph 448, of the tariff act of July 24, 1897, as a manufacture of cork, or of which cork was the component material of chief value, at 25 per cent ad valorem.

The Government has since changed the classification of this article by placing same under Schedule I, paragraph 322, as a manufacture of cotton not specially provided for, at 45 per cent ad valorem.

Our protest against this decision is still pending and the National Board of General Appraisers has not as yet rendered a verdict.

Should this latter-named duty prevail it would become at once prohibitive and the article could not be brought in.

The article, as first entered and brought in by ourselves under Schedule N, paragraph 448, permitted our selling same in the American market at 30 cents net per square yard, while a leading domestic manufacturer of a competitive fabric, viz, the Trenton Oilcloth and Linoleum Company, Trenton, N. J., freely offers a competitive article of the same gauge and general appearance at 27.36 cents net. This makes our English goods 10 per cent higher in price than theirs, at least, and on their lowest quotations, which at present we are unable to determine, a still greater difference.

Our market on this basis could only be maintained through superiority of the fabric for the shoe manufacturer's usage. Even under these conditions we fear that our market is gone, as the difference in price between the English and American is too great.

We would therefore respectfully submit for your consideration that a duty of 15 per centum ad valorem be placed upon the article known as "shoe cork."

We take exception to the suggestion contained in the brief of the Armstrong Cork Company, dated at Pittsburg on November 23, 1908, wherein they advise that 5 cents per pound be placed upon "cork bark, wholly or partially manufactured for life preservers, for cork insoles, etc.," as a duty of this description upon our article, weighing about $1\frac{3}{4}$ pounds to the square yard, would be absolutely prohibitive and would give the American manufacturer unwarranted protection.

Our other articles for your honorable consideration, and attached hereto marked, "Sample B," is an article composed of ground cork and linseed oil, forming a composition applied to a cotton muslin backing as in our other article marked "shoe cork." The only difference between this latter named and shoe cork is that the grinding of the cork in Sample B has progressed to a finer stage. This is an article to be used by manufacturers of box toes for shoes. Heretofore it has been impossible to bring this article into this country as its classification has been as a manufacture of cotton not especially provided for, viz, Schedule I, paragraph 322.

We realize full well that our tariff is primarily for the protection of the American manufacturer, but we realize also that the revenue derived therefrom is of inestimable benefit to the Government and that a tariff which prohibits importation protects the American manufacturer to the exclusion of government resources.

We therefore present these two articles in question for your careful consideration, feeling sure that their merits, properly considered, will show to your honorable selves that a 15 per cent ad valorem duty on both these articles insures the American manufacturer sufficient protection and will not prohibit the entire importation of such articles but will permit of their selling to such of the American trade as may favorably consider them.

Respectfully submitted.

HERBERT R. LANE & Co.,
HERBERT R. LANE,
President and Treasurer.

CORK WASTE.

[Paragraph 536.]

NEW YORK, *December 24, 1908.*HON. JOHN DALZELL, M. C., *Washington, D. C.*

MY DEAR SIR: I understand that some of the cork manufacturers have petitioned your committee asking that a duty be placed upon cork waste.

It seems to me this would be a very great injustice to the manufacturers of linoleum, and I can see no necessity for the same, as the cork manufacturers are now protected by a duty on their manufactured corks and have their cork wood admitted free, and the waste cork being raw material for the linoleum manufacturers.

The cork manufacturers in the United States already do not make enough waste to supply our manufacturers, and we are therefore compelled to import about 50 per cent of the cork waste that we use.

Some time early in January I would like very much to come to Washington, if you can set the time, and talk with you on the question of linoleum and the raw materials entering into the manufacture thereof.

Yours, truly,

H. A. POTTER.

IVORY ARTICLES.

[Paragraphs 417 and 450.]

STATEMENT SUBMITTED BY OTTO GERDAU, OF NEW YORK, RELATIVE TO IVORY PIANO KEYS AND BILLIARD BALLS.NEW YORK, *November 18, 1908.*

To the honorable members of the Committee on Ways and Means, Washington, D. C.

GENTLEMEN: I consider it almost useless to appeal on ivory piano and organ keys and ivory billiard and pool balls, because for thirty-five years my appeals have had no effect whatever, but as the excessive protection has finally had the inevitable result that not one dollar's worth of these articles is imported, my words may now perhaps find more credence or attention. I therefore beg your permission to say on ivory piano and organ keys that this article is but a partially manufactured article, sawn by automatic machinery and bleached by the sun, but because they have never been specially enumerated they are subject to the same duty of 35 per cent as perfectly hand-finished, artistically carved ivory, and in consequence nothing at all is imported of the \$2,000,000 worth used by the piano and organ manufacturers of this country. The difference between the American and European labor on ivory piano and organ keys is estimated to be not over 2 per cent and, in fact, an American manufacturer of them, Mr. George Ropes, was frank enough to admit (see *Tariff Hearings of Fifty-third Congress*, p. 1190) that the entire amount paid for labor in the United States upon a set of ivory keys is not over 10 per cent.

They have been assessed since the war at 50 per cent and they have remained so ever since. The turning of a ball from a block is done by lathe, and I would like to have the business to turn them at an entire cost of 5 per cent. I stand for protection, but not for such rank prohibition which will enrich the few at the expense of the many and yield no revenue to the Government.

I therefore advocate a reduction of the duty to 5 per cent on ivory piano and organ keys and ivory billiard and pool balls and free entry of ivory and vegetable ivory, unmanufactured.

Yours, respectfully,

OTTO GERDAU.

TESTIMONY OF C. W. SIEBERT, 558 WEST ONE HUNDRED AND EIGHTY-FOURTH STREET, NEW YORK CITY, RELATIVE TO BILLIARD BALLS AND PIANO IVORY.

TUESDAY, *December 15, 1908.*

Mr. SIEBERT. Mr. Chairman and gentlemen of the committee, I will take but a few moments of your time on this subject of ivory billiard balls and piano and organ ivory.

Ivory billiard balls are turned from blocks of crude ivory like this sample, and any turner in the business would be very glad to do the turning at the rate of 5 per cent of its value. The true cost of it is nearer 3—between 2 and 3. The duty on ivory balls since the civil war has been 50 per cent. For what reasons I do not know, and I should be very glad if any member of the committee could tell me why it is so. I advocate the reduction of the duty on ivory balls from 50 to 5 per cent under those conditions.

Piano ivory, of which I have here sample pieces, is in exactly the same category. It is made by machinery. It requires little or no technical knowledge, and it has a duty on it of 35 per cent. In the hearings of the Fifty-third Congress, I believe it was—

Mr. HILL. Under what paragraph does piano ivory come?

Mr. SIEBERT. I can not give you the number, sir. I had to come here very suddenly and I did not bring my data with me. You have the testimony of Mr. A. G. Ropes, I believe of Boston, given at that time. He was then one of the largest manufacturers of piano ivory in the country. He testified before the committee at that time that he could produce all the piano ivory he required at not over and less than 10 per cent. The same question comes up upon this subject, why there should be a 35 per cent duty on an article that a manufacturer himself claims he can produce for 10 per cent or less.

It is for that reason I advocate and ask that organ and piano ivory be reduced to 10 per cent. If any competition to American manufacturers is to be permitted at all in either of those articles, there can be no other method of regulating it.

Mr. HILL. The ivory itself is free?

Mr. SIEBERT. The raw material is free in all countries; yes, sir. It comes from Africa and Asia, principally the east and west coasts of Africa, and is free all over.

Mr. RANDELL. Your raw material, this ivory, is not produced in this country at all, is it?

Mr. SIEBERT. No, sir; we have no elephants here.

The CHAIRMAN. I understand you to say you know it to be a fact that these balls can be turned for 5 per cent of the value of the ivory contained in them?

Mr. SIEBERT. Less; yes, sir.

The CHAIRMAN. Were you ever in the business?

Mr. SIEBERT. Twenty-five years.

The CHAIRMAN. You have been twenty-five years in the business?

Mr. SIEBERT. Not for myself, but I have been in the business twenty-five years.

The CHAIRMAN. They are turned by a turning lathe, I suppose.

Mr. SIEBERT. Yes, sir; an ordinary turning lathe. That 5 per cent includes not only the turning, Mr. Chairman, but it includes the dyeing, finishing, and polishing.

The CHAIRMAN. How much is the ivory worth per ball?

Mr. SIEBERT. Do you mean the raw ivory in its block shape, or do you mean the finished ball?

The CHAIRMAN. I mean the raw ivory, like what you have there.

Mr. SIEBERT. Ten dollars.

Mr. UNDERWOOD. Ten dollars for what?

Mr. SIEBERT. The block.

Mr. UNDERWOOD. That block you have there?

Mr. SIEBERT. Yes, sir; that turns out one $2\frac{3}{4}$ -inch billiard ball.

The CHAIRMAN. And it only costs 50 cents to turn it?

Mr. SIEBERT. Less than that. We have made inquiries and ascertained from one turner that it is not over 30 cents, and through inquiries within the last three or four days by myself a quotation was given me of 47 cents, but that was in small quantities, with reductions for larger quantities.

The CHAIRMAN. How much do those balls sell for at the factory?

Mr. SIEBERT. A finished ball of that size sells to-day at \$15.

The CHAIRMAN. The other ivory products, the piano keys, you say, have a duty of 35 per cent?

Mr. SIEBERT. Yes, sir.

The CHAIRMAN. What do you say they can be made for?

Mr. SIEBERT. That, Mr. Chairman, is a question that I can not answer accurately, and I would rather not answer it. The information that I have about that is the testimony of Mr. Ropes, given before the Committee on Ways and Means in the Fifty-third Congress. In the reports of the hearing I believe you will find Mr. Ropes's testimony. At the time he was one of the largest piano-ivory manufacturers of the United States. He recently died.

The CHAIRMAN. That was when the Wilson bill was in process of formation?

Mr. SIEBERT. Probably. As I told you, I had very short notice to get here, and I had to leave everything behind.

The CHAIRMAN. We had considerable evidence on this subject when the McKinley bill was before Congress.

Mr. SIEBERT. I do not know whether there was very much evidence on it, Mr. Chairman.

The CHAIRMAN. I think that limitation about free ivory, describing it, so to speak, as with the bark on it, in its natural state, was put into that bill.

Mr. SIEBERT. Yes, sir; that was to let in the block free; but the fact remains that this enormous duty on balls simply has centralized the whole thing here. There has been no competition in balls.

The CHAIRMAN. There does not seem to be any importation of ivory balls at all.

Mr. SIEBERT. No; they are thoroughly eradicated. The firm I was with, with whom I learned my business, have practically been out of the business altogether ever since.

The CHAIRMAN. But there is quite an importation of other manufactures of ivory. That is, I do not know how much ivory is in use, but there is \$78,000 a year of the other manufactures of ivory and finished ivory.

Mr. SIEBERT. They must be altogether finished articles, but absolutely nothing can come in in ball shape.

The CHAIRMAN. I suppose these piano keys are sawed out first and then there is some polishing or smoothing process.

Mr. SIEBERT. They are simply sawed out into two shapes, and then as they are put upon the piano the mechanic joins them and puts the sharps in between, you see.

The CHAIRMAN. You can not tell what it costs to turn them?

Mr. SIEBERT. Not with any degree of accuracy; no, sir; and I would rather not state since I can not answer the question accurately.

Mr. FORDNEY. Why would you recommend the reduction of the duty?

Mr. SIEBERT. Simply to not centralize the interest entirely in this country. Competition is the life of trade. I believe in a fair tariff to protect American labor, and all that sort of thing, but it is very simple to see that in this case the duties are absolutely abnormal.

Mr. FORDNEY. There would be no one benefited by a reduction of that duty except the purchaser of billiard balls, would there?

Mr. SIEBERT. Probably not, because the labor employed in the manufacture of most of these articles is necessarily very small.

Mr. FORDNEY. However little it is, it would be better to have it here than to have it abroad, would it not?

Mr. SIEBERT. Possibly, as far as the labor is concerned; yes.

Mr. FORDNEY. From the revenue standpoint, then?

Mr. SIEBERT. From the revenue standpoint, no. Certainly not, because I have just testified that there has not been a dollar's worth of this material in finished shape imported here for years and years, simply because we can not compete under that heavy duty.

The CHAIRMAN. There certainly has been no importation for the last twelve years.

Mr. SIEBERT. If a reasonable duty is established, to enable us to compete with the American manufacturers, instead of an excessive duty, that would bring the Government revenue. That is certain.

Mr. FORDNEY. But there has been considerable ivory imported in one way and another?

Mr. SIEBERT. They have been articles of decoration, etc.

Mr. FORDNEY. What is your business?

Mr. SIEBERT. I am with a concern that has been in this business for twenty-six years, and they were forced to give it up. My object of coming here was that if this duty could be put upon a proper basis I should immediately go into business.

Mr. FORDNEY. If the duty were reduced from 50 per cent to 5 per cent, do you think the revenues of the Government would be increased?

Mr. SIEBERT. As it is to-day, sir, it gets absolutely nothing. What does the revenue come from?

Mr. FORDNEY. Not particularly the billiard balls; but there is some duty collected from other manufactured ivory, is there not?

Mr. SIEBERT. As I told you, that is probably on some finished articles of decoration, articles of virtu, curiosities, etc., but absolutely nothing from these trade articles, absolutely not a dollar's worth.

The CHAIRMAN. May I ask him a question right there?

Mr. FORDNEY. Certainly.

The CHAIRMAN. This paragraph 417 includes: "Dice, draughts, chessmen, chess balls, and billiard, pool, and bagatelle balls, of ivory, bone, or other material." Would you have the duty lowered on all those?

Mr. SIEBERT. No; I merely speak of the finished balls. It would mean another paragraph, of course.

The CHAIRMAN. You mentioned the billiard ball.

Mr. SIEBERT. Well, one of the grounds is because it requires absolutely no skilled labor. It is not like a carved chessman or any article of virtu. That is a different class altogether.

Mr. FORDNEY. If there are no billiard balls imported, certainly what billiard balls are used are made in the United States, are they not?

Mr. SIEBERT. Yes, sir.

Mr. FORDNEY. Who would be benefited, then, by the removal of that duty?

Mr. SIEBERT. The purchaser of the billiard balls. It stands to reason that the more competition, the better the chance of the purchaser buying at more reasonable prices than if the thing is centralized in the hands of two or three concerns. Besides that, it would tend to bring revenue to the Government, while as it stands the Government gets absolutely nothing out of it.

Mr. FORDNEY. Is there any duty on the ivory imported as you have it there?

Mr. SIEBERT. On the block? No, sir. On the piano keys there is a duty of 35 per cent.

Mr. HILL. I do not yet quite understand what business you are in.

Mr. SIEBERT. I am with a firm that formerly was very large in the ivory business.

Mr. HILL. In the making of billiard balls and piano ivory?

Mr. SIEBERT. Billiard balls, and particularly piano ivory.

Mr. HILL. They are not now?

Mr. SIEBERT. They are utterly unable to import one cent's worth with the 35 per cent duty on piano ivory.

Mr. HILL. What are they doing now?

Mr. SIEBERT. They have quit that branch.

Mr. HILL. You said if the duty was reduced you would go into business. What kind of business?

Mr. SIEBERT. Into the importation of the piano ivory and the finished balls.

Mr. HILL. For use in piano manufacture and also for selling billiard balls?

Mr. SIEBERT. Yes, sir.

Mr. HILL. In what form does the ivory come in; in the tusk, or sawed up in that way? Is it brought into the country in that shape?

Mr. SIEBERT. Oh, no; it is prohibitive now. The only way it could come in would be as tusks.

Mr. HILL. It comes in free now?

Mr. SIEBERT. The tusk does; yes, sir.

Mr. HILL. Your idea is to reduce the duty so that you can import this in the finished form?

Mr. SIEBERT. Yes, sir.

Mr. HILL. And to be used in the further manufacturing of pianos?

Mr. SIEBERT. Yes, sir.

Mr. HILL. You are not in the piano business now?

Mr. SIEBERT. No, sir.

Mr. HILL. Your idea is, so far as the billiard-ball business is concerned, to import the finished ball rather than the tusk and have the labor performed here?

Mr. SIEBERT. Yes, sir.

Mr. HILL. And the work carried on here?

Mr. SIEBERT. Yes, sir; to import probably not tusks so much as the balls.

Mr. HILL. Your purpose, then, is not to go into the manufacture of these things at all. It is to go into the manufacture which would utilize these things, and import your raw material practically free or at a very much lower duty?

Mr. SIEBERT. No, sir; that is not the raw material—

Mr. HILL. It would be your raw material in the manufacture of the piano, of course?

Mr. SIEBERT. Yes; taking it in that sense, of course.

Mr. HILL. That is what you want?

Mr. SIEBERT. Yes, sir.

Mr. HILL. To get the raw material for the manufacture of the piano as an encouragement to you to go into piano manufacture?

Mr. SIEBERT. No, sir; so as to permit us to import piano ivory to sell to the piano manufacturers.

Mr. HILL. Oh, you simply want to deal in the products?

Mr. SIEBERT. Exactly.

Mr. HILL. I see. You simply want to put yourself on a more favorable basis as an importer.

The CHAIRMAN. Are many of these piano keys made in this country now?

Mr. SIEBERT. Yes, sir.

Mr. HILL. Yes; a great many in Connecticut.

The CHAIRMAN. Most of them are made in this country?

Mr. SIEBERT. At the present time, all.

Mr. HILL. How much cheaper would a piano sell for if that article was imported free?

Mr. SIEBERT. Not very much cheaper, I am afraid.

Mr. RANDELL. In reference to the raising of revenue, you say we get nothing from that now?

Mr. SIEBERT. At the present time; no.

Mr. RANDELL. Suppose the tariff was levied on the ivory, the raw material?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. And then on the finished article, enough to make the difference, whatever difference the committee might think would be proper, in reference to the labor cost, if they considered that. Why would not that bring in revenue and at the same time make it possible for you to do business here or to import, either?

Mr. SIEBERT. Yes; that might be true, but it would be against the usual principles of all business on an article that is not raised here.

Mr. RANDELL. How would it be against any principle? If we raise the revenue on the raw material and that gave a differential on the finished product, that would permit the manufacture of it here and at the same time would permit a reasonable competition from abroad. Why would that violate the principle?

Mr. SIEBERT. Well, I can not answer that.

Mr. RANDELL. The result of it would be if the tariff was placed on the tusks, on the raw material, that would simply raise the revenue for the Government and would be putting a tax on this class of goods, would it not?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. It would be taxing something in the nature of a luxury, a billiard ball?

Mr. SIEBERT. Yes, sir. Is there anything more, gentlemen?

The CHAIRMAN. That is all.

Mr. SIEBERT. I am much obliged to you. I hope I will have better success with it this time than I had the last time. I am a little afraid that our Connecticut friends take too good care of their constituents.

Mr. HILL. Your purpose, then, is to put yourself in a better position as an importer of the finished product and not as establishing a new industry?

Mr. SIEBERT. No; it is no industry at all.

Mr. HILL. You do not propose to manufacture it?

Mr. SIEBERT. No, sir.

Mr. HILL. You propose, then, to transfer the industry from this country elsewhere in order that you may handle more goods as an importer?

Mr. SIEBERT. And pay the United States revenue.

The CHAIRMAN. I guess we all understand it. Is there any other gentleman here who desires to be heard now?

Mr. RANDELL. I want to ask this gentleman another question. About what number of people, if you know, are engaged in the manufacture of these billiard balls, pool balls, etc.?

Mr. SIEBERT. Not many, sir. It is not a large business.

Mr. RANDELL. Where are they located?

Mr. SIEBERT. Mainly in New York, I should judge.

Mr. RANDELL. Brother Hill says he has some in Connecticut.

Mr. SIEBERT. That is the piano ivory.

Mr. RANDELL. And the billiard balls are mostly manufactured in New York?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. The way it is now, the Government gets no revenue, but these articles have to be manufactured there on account of the tariff excluding outside manufactures; and the country gets no revenue, but must pay these people who are engaged in the manufacture here?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. And the way I stated it would bring in the revenue and permit the competition both, would it not?

Mr. SIEBERT. I should judge so; yes, sir.

Mr. RANDELL. If we put the tax on the ivory, and then enough differential on the finished product to bring the revenue?

Mr. SIEBERT. Yes, sir.

**C. W. SIEBERT, NEW YORK CITY, SUBMITS SUPPLEMENTAL BRIEF
RELATIVE TO MANUFACTURES OF IVORY.**

358 WEST ONE HUNDRED AND EIGHTY-FOURTH STREET,
New York, December 15, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I wish to submit to you the following brief on ivory billiard balls and ivory piano and organ keys:

The billiard balls used in this country are turned from blocks like my sample and ivory turners in this country will gladly finish such balls ready for use at a cost of not exceeding 5 per cent, but ever since the civil war the duty on them has remained 50 per cent, and I feel sure that no gentleman of your honorable committee can give a reason for it except neglect. I ask therefore for a reduction of the duty from 50 to 5 per cent on ivory billiard balls if it is not your intention to continue to stop their importation altogether. Ten per cent would prohibit them as effectually as the present 50 per cent.

It is the same with ivory piano and organ keys like my sample. They are cut by machinery and an American manufacturer testified before the Ways and Means Committee of the Fifty-third Congress, page 1190, that their entire cost of manufacture does not exceed 10 per cent. Yet they have been kept dutiable at 35 per cent and nothing whatever is imported of it. With such testimony of an American manufacturer before you and the fact that at 35 per cent nothing whatever is imported, it is plain that they ought to be reduced to at least 10 per cent if some outside competition is to be permitted at all, but it is doubtful whether at 10 per cent any can be imported.

Yours, respectfully,

C. W. SIEBERT.

**OTTO GERDAU, NEW YORK CITY, FILES SUPPLEMENTAL STATEMENT
RELATIVE TO LABOR COST IN MAKING AND FINISHING
IVORY BILLIARD BALLS.**

NEW YORK, December 19, 1908.

HON. SERENO E. PAYNE,
Chairman of the Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Referring to my letter addressed to you under date of November 18, it occurred to me that you perhaps would like some proof to support my assurance that the whole labor in this country to finish ivory billiard balls does not cost above 5 per cent.

I therefore made an inquiry of the two best ivory turners in this city at what price they would turn and finish billiard balls for me, and you will see from their two inclosed answers that one asks 25 cents for turning the balls and 19 cents for finishing them, which makes it 44 cents per ball; while the other asks a straight price of 35 cents per ball for the whole business, and as a $2\frac{3}{8}$ -inch block of ivory, which is the size used for billiard balls, averages \$10 in cost, you will note that the percentage is in both cases less than 5 per cent. It has always been represented to me that the cost of turning and finishing billiard balls is 30 cents per piece, and the difference between this rate and the quoted prices of the turners is no doubt their profit; but as even these latter prices do not exceed 5 per cent, I think it must be plain to you that it would be without sense or reason to leave a duty of 50 per cent on ivory billiard balls, but if you reduce the duty only 25 or 30 per cent, you may as well leave it 50 per cent, because when an article costs here only 3 per cent to manufacture, you can not make the duty more than 5 per cent and expect any importations.

I trust that you will include this proof of my former statement in your record, and I am,

Yours, respectfully,

OTTO GERDAU.

EXHIBIT A.

NEW YORK, *December 15, 1908.*

THE OTTO GERDAU COMPANY,
New York.

GENTLEMEN: We herewith quote you price to rough ivory balls and finish them for 35 cents each.

In case you should favor us with the work and the ivory delivered to us, we would request you to take the responsibility of having same insured.

Trusting to hear favorably from you, we are,

Yours, truly,

THE A. JOSEPH KAPP SONS' IVORY Co.

EXHIBIT B.

NEW YORK, *December 14, 1908.*

DEAR MR. GERDAU: We have never roughed ivory balls for money. We charge nothing for the work, but keep the rings in payment; but if we make a price it must be 25 cents, and then we return the rings. The roughing of balls from blocks is a difficult operation, and unless carefully done you would lose much in the deterioration of the ball, and if sufficient time and judgment is used it pays better than to hurry the work in order to do it cheaply. We prefer to have a man do 25 balls a day carefully than to have 50 or more done carelessly.

To finish balls we will charge 75 cents per set of four or 25 cents each. Of course it depends somewhat on quantity; if you can have

enough done at one time to give a man a few days' work it may be cheaper. At any rate, our prices may be higher than some competitors, but our work is also superior, just as your blocks are superior to most others.

Yours, etc.,

F. R. KALDENBERG.

GEORGE L. CHENEY, DEEP RIVER, CONN., FOR VARIOUS MAKERS OF PIANO IVORY, PROTESTS AGAINST REDUCTION OF DUTY ON MANUFACTURES OF IVORY.

DEEP RIVER, CONN., *February 2, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: On behalf of Arnold, Cheney & Co., of New York, importers of ivory tusks; The Comstock, Cheney & Co., of Ivoryton, Conn., manufacturers of piano ivory and piano keyboards, and Pratt, Read & Co., of Deep River, Conn., ivory cutters and piano-key makers, I submit their protest against a reduction in the duty imposed by the Dingley tariff on manufactures of ivory.

The particular manufacture of ivory in which we are interested is piano ivory.

By paragraph 450 of the Dingley tariff a duty of 35 percentum ad valorem is imposed on manufactures of ivory, and by paragraph 584 ivory tusks in their natural state, and cut vertically across the grain only, with the bark left intact, are admitted free.

Manufactures of ivory were subject to this duty of 35 per cent under the tariff of 1883.

Upon the application of the German representatives of foreign ivory cutters this duty was reduced by the Mills bill to 30 per cent.

The Wilson bill proposed to fix the duty at the old rate, 35 per cent; but the McKinley tariff, after full hearings on the subject, fixed the duty at 40 per cent.

Under the Mills tariff foreign-manufactured ivory was freely imported and sold, and the American factories suffered severely.

The Germans have now again asked your committee to reduce the duty. Otto Gerdau, for many years the agent in this country of the largest European ivory factory, Heinr. Ad Meyer, of Hamburg, has written you a letter asking that the duty be reduced to 5 per cent; and C. W. Siebert, whom I have been unable to identify except as an employee of Mr. Gerdau, appeared before you December 15 and made a similar request.

Mr. Siebert concealed his business connection in his discussion before your committee and gave only his residence address, but stated that he wished the duty reduced "so as to permit us to import piano ivory to sell to the piano manufacturers," stating, however, that "if piano ivory were imported free he was afraid the piano would not sell very much cheaper." His sole interest is that of a representative of a foreign factory seeking a market in this country at the expense of the American factories, and is identical with the interest of Mr. Gerdau, who stated before Mr. McKinley's committee that he did not cut the ivory here because his factory happened to be on the other side, and that it was really a question between the factories here and the factories there, and that was all.

Both these Germans quoted Mr. George Ropes as their only authority on the comparative cost of piano ivory in this country. Mr. Ropes was in fact not a manufacturer, but an East India merchant and importer, who ran a little spite factory for a while on the side. He did not make a success of it and it was shortly sold out. He had no practical knowledge or experience as an ivory manufacturer, and his only policy as such was to injure the ivory cutters who did not buy the tusk ivory that he imported.

The companies for whom I now appeal to you have imported ivory and manufactured ivory goods for several generations and are the principal support of several flourishing villages.

The continuance of the business is dependent on the tariff, and the duty fixed at 30 per cent by the Mills bill was found in practice to permit of large importations by the Germans at prices with which the American factories could not compete. This is not a theory, but a condition, which we had to confront once, and which we can not afford to confront again.

There are a number of reasons why the American manufacturers of piano ivory can not compete with the German ivory cutters when the duty is only 30 per cent.

In the first place, only a part of the duty fixed is actually collected. In an article like manufactured ivory there are so many ways of undervaluations that the Germans have been able in the past to avoid payment of a considerable part of the duty required by the statute. Persistent and expensive efforts on our part to prevent this have always failed.

In the second place, no such profitable utilization of the waste is possible in this country as abroad. More than half the tusk goes to waste in cutting up for piano ivory. Various little outlets exist abroad for this waste, but not here, and we are obliged to export in order to sell it.

In the third place, the German ivory cutters are close to the source of supply, which is now the quarterly sales at Antwerp. The American ivory cutter has to pay the freight from Antwerp to Connecticut, or Massachusetts, or New York, on his ivory, and then back to Germany on the waste, with insurance, interest, port charges, and all those little things which eat up the profits. Nearness to the source of supply and nearness to the market for products from the waste gives the German a serious advantage.

In the fourth place, and this is the most important of all, the great difference in wages paid labor and the great difference in the scale of living between German and American manufacturing communities make it impossible to sell the products of our factories in competition with the products of their factories without bringing our labor down to a scale of living which the American refuses to accept. We pay ivory cutters \$2.50 a day; in Germany they get from 40 to 50 cents.

With these facts, the problem works out something as follows:

The ivory necessary to produce a set of piano keys costs in Germany, let us say, \$3.85; but in this country, because we are so far away and because we can not utilize our waste, let us say, \$4.50. The amount labor receives on this set of ivory in taking it from the tusk and transferring it to the piano maker ready to be put upon his

piano keys is in Germany, say, 30 cents, and in this country \$1. The set of ivory which has cost here \$5.50 is to be sold, let us say, at \$6.50; and the set of ivory which has cost in Germany \$4.15 is to be exported for sale here. The German puts this set of ivory with a lot of other sets and some waste ivory in a barrel, and ships it as "ivory waste," all mixed together, at \$1 per pound, and we hear of it in the appraiser's stores. If we succeed in having the sets of ivory picked out for valuation as piano ivory, the German contends that it should be assessed on \$4.15. If the duty be 35 per cent, this will make his ivory cost landed here just about the same as our ivory costs us, so that he can just about import it. If it is taxed at a higher rate, and honestly valued and correctly appraised, he can not import it. If it is taxed at a lower rate, even though it be honestly valued and correctly appraised, we can not run our factories in competition with it. In no event, and we have vigorously tried, can we export it; and at the present duty, even our home market is dependent on the superiority of our product.

In this connection it should be kept in mind that what the Germans seek to accomplish through lowering the duty on manufactures of ivory is not to lower the cost to the consumer who buys the piano, but simply the transfer of the manufacturing business from the American factories to the German factories, and the resultant benefit to themselves as importing agents. This is frankly set forth in their own evidence before your committee, above referred to.

There are five or six ivory-cutting factories, located in Connecticut, New York, and Massachusetts, between which the keenest competition prevails.

The raw material, which can not be produced in this country, has always been selected as a proper subject for the free list.

The manufactured article, as a luxury, has always been selected as a proper subject for taxation.

The old free-list reading admitted as free "ivory unmanufactured," but under this reading the German imported partly manufactured ivory as free, and the reading was therefore changed to "ivory not sawed, cut, or otherwise manufactured." This, however, did not stop the disputes at the custom-house; and the wording was finally changed to "ivory tusks in their natural state, or cut vertically across the grain only, with the bark left intact." There are some disputes under the present reading, but business had adapted itself to it, and on the whole it should not be changed.

If the first effect of a reduction in the duty were to reduce the price, this effect could be but temporary on account of the limitation of the supply. Any increase in the demand consequent on the reduced prices would hasten the extinction of the elephants; and the progress of the extinction would speedily be heralded by a rise in the cost of the raw material. A reduction in the duty would therefore be of no ultimate benefit to anyone in this country, but would in the meantime sacrifice the American industry for the benefit of the German industry.

On Tuesday, December 15, 1908, Mr. Randell suggested that a tariff be levied on the raw material for revenue purposes, and then on the finished article for protective purposes. In this line I would suggest that if any part of the raw material be taxed it should be that part which is sawed crosswise only, and not lengthwise, leaving

on the free list "ivory not sawed, cut, or otherwise manufactured," and putting a duty of, say, 10 per cent on "ivory sawed or cut vertically across the grain only, with the bark left intact;" and that the duty imposed by section No. 450 of the Dingley tariff on manufactures of ivory—35 per cent—be not altered, or, if it be altered, that it should be increased to the 40 per cent fixed by the McKinley Act.

Respectfully submitted.

GEO. L. CHENEY, for
ARNOLD, CHENEY & Co.
COMSTOCK, CHENEY & Co.
PRATT, READ & Co.

DOLLS AND TOYS.

[Paragraph 418.]

PETER ZUCKER, NEW YORK CITY, FOR IMPORTERS AND MANUFACTURERS OF DOLLS AND TOYS, SUGGESTS NEW CLASSIFICATION AND SCHEDULE OF RATES.

NEW YORK CITY, *January 19, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

SIR: In behalf of the importers of dolls and toys of the United States and in behalf of the domestic manufacturers of the same articles, I beg to submit the following: I wish to say at the outset that in representing these two associations I represent practically all the importers and the domestic manufacturers—I may say 95 per cent, the 5 per cent not represented not objecting, but simply not having been heard from—so that the requests herein made represent the unanimous request of all the importers and domestic manufacturers of said articles.

The paragraph that affects this industry is paragraph 418, which now reads as follows:

Dolls, doll heads, toy marbles of whatever materials composed, and all other toys not composed of rubber, china, porcelain, parian, bisque, earthen or stone ware, and not specially provided for in this act, 35 per centum ad valorem.

We desire and request that the paragraph be amended so as to read as follows:

Dolls and parts of dolls and toy marbles of whatever materials composed, and all other toys and parts of toys, not composed of china, porcelain, parian, bisque, earthen or stone ware, and not specially provided for in this act, 35 per centum ad valorem.

As will be noticed the only changes requested in this paragraph are the following: The addition of the words "parts of dolls," and the addition of the words "parts of toys," and the striking out of the word "rubber."

It is manifestly absurd and an obvious inconsistency to tax parts of an article at a higher rate than the assembled and completed article, the latter being admitted at a lower rate. Therefore doll's eyes, doll's wigs, etc., should be admitted at the same rate as dolls. Parts of toys are imported almost entirely for the completion of American-made toys, and these parts should therefore be considered as the raw mate-

rial for the American manufacturer. This error crept in through an oversight in the passage of the Dingley Act and should be corrected.

In the passage of the Dingley Act, too, the matter of rubber balls, dolls, and toys was overlooked, and manufacturers of American rubber dolls and toys were somewhat badly treated by having these classified under the head of India rubber manufactures, paragraph 449, which only fixes a duty of 30 per centum ad valorem. The effect was that whilst the other American toys received the benefit of 35 per cent ad valorem the rubber toy and doll only got the benefit of 30 per cent ad valorem.

All the importers and manufacturers request the correction of this inconsistency and oversight.

I am requested to say in behalf of all parties concerned, after thorough discussion, that they all agree that a lowering of duty would not increase the revenues of the Government, because whilst importation might be increased to a slight extent it would not increase it sufficiently to overcome the difference in revenue between the increased rate and the present rate, whereas an increase of duty would probably cause decreased consumption, and therefore it is respectfully requested that, with the exception of the change in phraseology as to parts of dolls and toys and the striking out of the word rubber, the paragraph stand as it is.

In behalf of the importers I particularly desire at this juncture to protest against what we understand is a proposed change in this paragraph by the addition of a clause which we understand is as follows:

Provided, That toys made in imitation or miniature of or bearing the same name as articles that are provided for in the dutiable list of this act by individual or class designation, shall pay the same rate of duty as such articles, but in no case shall any toys pay less than the rate of duty imposed upon miscellaneous manufactures of the material of which such toys are wholly or in chief value composed.

We respectfully represent that this proposed addition, besides being very unjust (as will be pointed out), is almost meaningless and would cause endless litigation and confusion. The adoption of this proposed paragraph would cause a most radical change in the meaning of the paragraph itself.

While the tariff is protective in its nature, as applied to American manufactures, this particular enactment would be very drastic and unnecessary, for as relates to toys there is not the sharp distinction drawn between the American industry and the foreign as in the case of other industries. Toys manufactured here are quite different in style, conception, and in every essential detail compared with the imported toy, and the present rate of duty of 35 per centum ad valorem is satisfactory to the importer and affords protection to the domestic manufacture.

To tax a toy made in miniature of an article specifically provided for would be wholly unfair, somewhat arbitrary, and inconsistent. For instance, a toy watch retailing at from 1 cent to 25 cents each would be taxed with a duty of 40 per cent ad valorem on the case and a specific duty of at least 35 cents each on the works; a toy tin trumpet retailing at from 1 cent to 50 cents each would be taxed as a

musical instrument at 45 per cent ad valorem; and a toy mechanical automobile retailing at from 10 cents to \$1 each would be taxed at the same rate as the 50-horsepower racing machine. Other illustrations could be given, but these instances are sufficient to point out the manifest injustice of the proposed legislation and of the hardship placed upon the importers of toys. There can be no possible justification for such an action. The tariff should be framed so that business may be conducted and not throttled.

Then, too, the additional proposal of taxing toys not made in miniature of a specifically enumerated article, according to the component material of chief value, would greatly curtail importation, if it would not make the same prohibitive, for the following reasons:

First. A great many toys consist of many component materials, and to arrive at a conclusion as to which is the chief value would lead to endless litigation. It would be practically impossible to determine this here, and recourse would of necessity be had to affidavits from the foreign manufacturers. Such evidence, being *ex parte*, would concededly not be the best evidence, and the question could not be determined otherwise. Experience has shown again and again that the results arrived at from the use of such evidence are always unsatisfactory, both to the importer and the Government.

Endless controversies between the Government and importers would ensue, and the result of litigation would establish no fixed principle, for the reason that styles and designs change with every season. The component material of chief value in fabrics and many other classes of goods can be determined by submitting samples for analysis, but completed articles like toys can be subjected to no such tests.

Second. Great confusion would arise from the necessity of changing the styles and sizes of toys to meet the higher rate of duty. Toys are manufactured to be sold at fixed retail prices, i. e., an article is made up to be a 5, 10, 25, 50 cent, or \$1 article. Dealers buy these toys to be sold at retail at such prices, importation of these articles to be sold at other prices being relatively small. The selling margin is close, and if the rate is raised, for instance on a metal toy manufactured to sell for 5 cents at retail, it would mean that the toy would have to be made smaller in size, if possible, or its sale will be precluded and its importation stopped. The same holds true with articles manufactured to be sold at the other prices mentioned.

Third. Toys paying a specific and an ad valorem rate (where manufactured in part of wool, of 44 cents per pound and 60 per cent ad valorem) would throw the manufacture and sale of the same into chaos, as no two shipments of the same article would show the same weight. This is due to the fact that the body of such toys, principally in the case of toy animals, is made of plaster, by hand work, and afterwards covered with wool, giving it the classification. Owing to the inaccuracy natural with such work, a uniform weight can not be had. In one instance a dozen toys might weigh 5 pounds; in another, 6 pounds; and again, 4 pounds. Manifestly it would be impossible to make contracts for delivery when it would be impossible to know in advance what sum would have to be paid as duty.

Many imported toys are composed of a variety of materials, and the approximate chief value of the total importations show about the following proportions:

	Per cent.		Per cent.
Metal -----	45	Papier-maché -----	3
Cotton -----	15	Celluloid -----	2
Paper -----	7	Leather -----	1
Rubber -----	6	Silk -----	} 1
Wood -----	5	Gallalith -----	
Glass -----	5	Pearl -----	
China -----	5	Bone -----	
Fur -----	} 5	Willow -----	
Skin -----			
Wool -----			

Fourth. A case of toys frequently contains from 50 to 100 different classes of articles made up of an endless variety of materials. Every single piece would have to be unpacked and subjected to analysis in order to determine the precise value of the material entering into its manufacture. The determination of the examining officer would be nothing more than conjecture in most cases, and the salability of such articles would be seriously impaired.

Fifth. An intolerable state of affairs would result by reason of the fact that the public stores would become completely blocked for want of room, with the enormous amount of cases being held for examination—causing a great hardship both to the Government and to the importer and seriously interfering with business and the expected sale of articles imported.

The present duty on toys is 35 per cent when not composed of rubber, china, porcelain, bisque, etc.; when composed of these materials, it is 30 and 60 per cent, respectively.

The difference in duty under the paragraph if amended would therefore disturb the values and would put the importers and foreign manufacturers to the hardship of reorganizing their lines and upsetting and reducing imports, resulting in diminished revenue without benefit to anyone.

Respectfully submitted.

PETER ZUCKER,
*Counsel for Importers and
Manufacturers of Dolls and Toys.*

DRESSED DOLLS.

[Paragraph 418.]

**KAHN & MOSSBACHER, NEW YORK CITY, ASK AN INCREASE OF
DUTY ON DRESSED DOLLS AND SIMILAR ARTICLES.**

NEW YORK, *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are doll outfitters. This industry, though in its infancy only, is a steady and growing one, and is encouraged by the American merchant.

Speaking of ourselves, we employ between 25 and 35 people in our place of business, and about 300 in their homes, such as house-

wives and persons who are physically unable to work elsewhere. These people do all our hand crocheting, and though not all of them depend on this for their subsistence, we can safely say that the majority of them do.

Referring to the manufacture of dolls' dresses. Most of these dresses are made of fabrics, such as laces and embroideries, material on which 60 per cent duty has been paid, and as we employ experienced help, and are paying good wages for such, it is impossible for us to compete with the foreign market.

Only a small percentage of the trade that are using this class of merchandise are buying same in the home market, and even these import most of their dolls already dressed, whereas others, not only import dressed dolls but also complete sets of outfits for same, on all of which the present duty is 35 per cent.

The writer, who is traveling, selling our product, has convinced himself that some outfits, of which we are the originators as to style and certain marks protected by patent rights of the United States Patent Office, have been imitated by foreign manufacturers and imported at a price much lower than we can produce same, although we do not claim that our trade-mark appears thereon.

The trade in the American market, as well as Canadian, prefer our goods to the foreign product (ours being of better make and improved in every detail). They are encouraging our efforts and are willing to help sustain and support this industry at home, were it not for the difference of cost to them, which we maintain is caused by the difference of cost in production, mainly due to their using material less the 60 per cent duty, as well as cheap labor.

We therefore ask that an increase of duty be attached to this class of merchandise: Dressed dolls, jointed toy animals, and outfits of every description suitable for dressing dolls and jointed toy animals. We would further advise that no increase of duty be attached to undressed dolls, as there is no such industry of this particular kind in the United States at the present time. The only doll being manufactured in America is a rag or rubber doll.

Feeling confident of your worthy support, we have taken the liberty of laying this appeal before you.

To conclude, we will be only too willing to submit samples of our product and further arguments to aid in sustaining this, our claim and contention.

Trusting that this will receive your kind consideration, and thanking you in advance, I am,

Very respectfully,

M. L. KAHN,
Member of the firm of
Kahn & Mossbacher, Doll Outfitters.

**GEORGE BORGFELDT & CO., NEW YORK CITY, THINK DUTY ON
DRESSED DOLLS SHOULD NOT BE INCREASED.**

NEW YORK CITY,
January 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Noting an application for an increase of duty on dressed dolls and similar articles appearing in the "Tariff Hearings"

of December 17, 1908, we deem advisable to lay before your committee a statement of our views together with facts why the said application should be disregarded.

We agree with your petitioners in their statement that "the trade in the American market, as well as Canadian, prefer our goods to the foreign product (ours being of better make and improved in every detail)." There can be and is no competition between the foreign and American-made dolls' dresses. The style, workmanship, and finish is so far superior to the imported goods that it is impossible to sell the imported article in competition. The style and price of the American dolls' dresses do not allow of competition. Also the imported dressed dolls are of such a character that even with a protection of 200 per cent they could not be made here, as they are glued, tacked on, etc., at the time the dolls are made.

Another element entering into consideration is the disturbance and confusion arising from the necessity to change the styles and manufacture of these dressed dolls to meet a higher rate of duty. They are manufactured to be sold at certain fixed prices, i. e., chiefly 5, 10, 25, 50 cents, and \$1.

Dealers buy them to be sold at these prices at retail. The selling margin is very close, and to meet a higher duty it would mean rearrangement of value by reduction in size or quality, which would seriously interfere with business and result in reduced revenue, without benefiting anyone.

Reference is made in said application to the items of laces and embroideries entering into the make-up of domestic doll dresses. These form only a very small part of the total value. The main value is in the fabrics of which the dolls' dresses are made, such as cotton prints, which are mostly of domestic manufacture. On many occasions we have had made up abroad samples of dolls' dresses, and have invariably found that we could not compete with the price of the American-made article, for the simple reason that the fabrics of which they are made (dimity, gingham, and organdie) are sold as cheap in the United States as in Europe.

We therefore assume from these facts that the labor paid in the United States is no higher than the wages paid abroad, plus the geographical protection and the duty of 35 per cent. In addition, the American manufacturer has still the further protection arising from the cost of cases, which is about three times as much abroad as in this country, to say nothing of the cost of transportation to the importer of bringing these goods a distance of about 4,000 miles.

By far the greater proportion of dolls imported are without dresses. This is done that the individual taste of the mother may be exercised in dressing the dolls for the children; or by American manufacturers of dolls' dresses, of which there are a large number, including department stores, etc. In fact, the larger retail toy and department stores employ help to make dresses to suit the taste of the purchasers of dolls.

With reference to the jointed toy animals we beg to say that the fabrics of which they are made are American make. It is our experience that with the present duty we can not to-day compete successfully against the American-made articles. The only reason for the importation of such articles is the superior workmanship and finish of each individual toy. Compared size by size the American-made

goods are cheaper than the imported goods, plus the duty of 35 per cent, cost of cases, and transportation.

Respectfully,

GEO. BORGFELDT & Co.

STROBEL & WILKEN CO., NEW YORK CITY, THINKS THAT THE APPLICATION FOR INCREASE OF DUTY ON DRESSED DOLLS SHOULD NOT BE CONSIDERED.

591 BROADWAY,
New York, January 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to an application for the increase of duties on dressed dolls and similar articles, appearing in the "Tariff Hearings" of December 17, 1908, we take the liberty of laying before your committee a statement of our views and why the application should not be considered.

An increase of duty on dressed dolls, dolls' outfits, or jointed toy animals would, in our opinion, have no tendency to stimulate American production in view of the fact that our leading department stores have the dolls' dresses made here and the small manufacturers in this industry have so far been able to maintain their business under the present tariff schedule. We know of department stores in this city and elsewhere that offer for sale only dolls that are dressed here, claiming that they can not sell the imported styles.

An increase of the tariff would merely enable the manufacturers to extort from the American people higher prices with no advantages for those who work in that industry.

Toy plush bears heretofore imported in large quantities have been utterly routed by the American makers, who sell them far below prices that these goods can be imported for.

A material increase in duties levied on the importers and wholesale dealers necessitates a corresponding increase in the cost to small dealers and eventually to the children, a vast majority of whom belong to the poorer classes, whose purchases are in cents and not in dollars. No such disturbing conditions should be imposed except for the most cogent reasons, and no such reasons exist.

Respectfully, yours,

THE STROBEL & WILKEN Co.,
E. STROBEL, *President.*

TOY STEAM ENGINES.

[Paragraph 418.]

THE WEEDEN MANUFACTURING COMPANY, NEW BEDFORD, MASS., THINKS TOY STEAM ENGINES SHOULD BE CLASSED AS MANUFACTURES OF METAL.

NEW BEDFORD, MASS.,
November 13, 1908.

HON. W. S. GREEN, M. C.,
Fall River, Mass.

* * * * *

DEAR SIR: Without wishing to presume too much on your time, we will state a few of the facts in our case: In the past twenty-five

years several different concerns have started to manufacture toy steam engines in this country, and up to the present time we are the only survivors; while we have been favored with a 35 per cent tariff, it is only by very close attention and the most economical practices that we have been able to keep going. We will give two good reasons for this. From all we can learn, raw material, which enters into the manufacture of our goods, principally sheet brass, sheet steel, and tin plate, are procured by our German competitors at a very much lower price than we have to pay; again, their labor is only about one-third of what we have to pay, they being able to hire skilled labor at about the price we pay apprentices or beginners.

We are of the impression that our class of goods should be under the head of "manufactures of metal," which they certainly are. This would give us a protection of 45 per cent and permit us to employ a skilled class of labor, and consequently produce a higher grade of miniature engines.

Many of these models that we make are used by the scientific schools and consequently would benefit many school children if better made, but we are prevented from making a better class of goods from the fact that we can not compete with the Germans if we utilize the higher grade of labor.

If we had had a little more protection this year we should have been running our factory with a much larger force and at full time, but as it is we are compelled, through the dull times and foreign competition, to run with a comparatively small force.

We will guarantee this, that if we should be favored with a higher tariff we will not advance our selling price one penny; all we ask for is the home market, which we think we are entitled to.

Our business was originally started from the fact that at that time it was almost impossible to procure a toy steam engine that would run satisfactorily; the market was flooded with German toys that were simply engines in appearance and not practical working goods. Through our efforts we have forced our German competitors to put a better grade of goods on the market, and this was brought about by the fact that we guaranteed everything we made to perform properly or we would replace it with perfect goods.

If the committee will give the manufacturing toy industry of the United States in all lines careful investigation they will probably find that there is no business in this country that is turning the manufacturers so little profit. Most of us have our capital in and can not get it out; and this is the only excuse for our staying in the business.

The toy business is a large industry, and with proper protection could be increased threefold in this country, but we are all held back by the cheap German labor and the low price of all raw material in European countries.

Referring again to the classification of our goods, would say that we are positive that no fair-minded person could object to their being classed as "manufactures of metal," inasmuch as they are model engines, and the German manufacturers sell their goods as model engines, illustrating same in their catalogues; and, moreover, some of them are sold as high as \$200 each, and after an article is sold much beyond a dollar at retail it can be hardly classed as a toy, inasmuch

as they are purchased and used by youths who are interested in mechanics and are exact models of the practical article.

Sincerely hoping that you can benefit us in this matter, we remain,
Yours, truly,

WEEDEN MANUFACTURING COMPANY.

EMERY AND EMERY WHEELS.

[Paragraph 419.]

NORTON COMPANY, WORCESTER, MASS., REGISTERS ITS APPROVAL OF A MAXIMUM AND MINIMUM TARIFF.

WORCESTER, MASS., *December 14, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The present rate of duty on emery grains and emery manufactured, ground, pulverized, or refined is 1 cent per pound.

Emery ore or rock as it is taken from the ground is on the free list. The duty of 1 cent per pound applies to emery or corundum manufactured, ground, pulverized, or refined. These processes consist in crushing the rock, washing same, sometimes roasting it with the object of removing the impurities, and finally grading it through sieves into uniform sizes, so that it is ready for use in loose grain grinding or for the manufacture of grinding wheels, stones, paper, and cloth.

The Norton Company is interested in this tariff schedule, as it is a large manufacturer of abrasive grains. We are engaged in the manufacture of an artificial abrasive, alundum, made in the electric furnace from bauxite at Niagara Falls. This material is crushed, refined, and graded in our works at Worcester, Mass., and is then manufactured into wheels, and also sold extensively for abrasive paper and cloth and for general polishing and grinding purposes.

Alundum comes into direct competition with emery, and large importations of emery grain at a low price would affect the manufacture of alundum grain in this country. The directors of Norton Company are, however, in favor of a tariff revision on the basis of a maximum and minimum schedule, and have at various times, as individuals and as representatives of this company, advocated a revision of the tariff on the basis of a maximum and minimum schedule, in order to promote reciprocal arrangements with foreign countries.

The present duty of 1 cent per pound on emery is not a high duty. In no sense of the word is it prohibitive, as can be seen from the importations of emery and corundum grains into the United States in 1907. The report of the United States Geological Survey for that year states that 4,282,228 pounds of emery and corundum grains, valued at \$185,156, were imported into the United States. This showed an average of about $4\frac{1}{2}$ cents per pound, which corresponds with the average price of emery. Therefore the present duty of 1 cent per pound is less than 25 per cent of the value. We believe that the present duty on emery grains is a perfectly fair and reasonable one, and a duty that can not be reduced without affecting the American industry. The emery ore and rock that is now imported into

the United States to the extent, as given by the Geological report mentioned above, of 11,235 long tons, valued at \$211,192, comes in free, and the present duty on the grain protects the American industry, American labor, and American capital now invested in the manufacture of this free raw material. We believe, therefore, that for a maximum tariff to be applied to those countries where we do not have reciprocal relations, the present tariff is just and reasonable, and we therefore urge its retention.

We believe, however, that the spirit of progress indicates freer trade relations by reciprocal duties with other countries, and as manufacturers of abrasive grain and as users of abrasive grains in grinding wheels, stones, and the like, we are ready to overlook our immediate business interests in this matter and to advocate a minimum tariff on emery grains of three-fourths cent per pound.

Those manufacturers interested solely in importing abrasive grain to manufacture into grinding wheels, etc., may advocate a removal of the entire duty. Those manufacturers of abrasive grains who sell their product to grinding-wheel makers, emery-cloth manufacturers, and the polishing trade in general may advocate a retention of the duty. This company, engaged both in the manufacture of the grain and in the manufacture of grinding wheels, looking at it from the standpoint of both interests, believes that the present duty is a reasonable one and should be retained as the maximum duty on a revised tariff schedule; but at the same time believes that we should be ready to give something for the benefit of reciprocal trade relations, and urges that a minimum duty of three-fourths cent per pound be fixed on emery grain.

Emery ore can be purchased at about \$30 per ton, including freight. It can be manufactured for about \$20 per ton. It suffers in loss by cleaning and in unusable numbers about \$5, making a total cost of about \$55 per ton. It is sold to-day for about $3\frac{1}{2}$ cents per pound, leaving a profit of about three-fourths cent per pound. This profit would equal the minimum duty suggested above.

Alundum, the product which Norton Company is manufacturing, costs considerably more than emery, as it is an electric furnace product requiring a large amount of power which is expended on an expensive raw material. Its sale, however, has been limited by the importation of corundum, which pays the same duty as emery.

The reduction to the minimum schedule of three-fourths cent per pound would not only affect the American emery manufacturers, but would also affect the alundum manufacturer. A further reduction of this, we believe, would be harmful and dangerous, and we believe no facts in the case would warrant it.

The present rate of duty on emery wheels, emery files, and the manufactures of which emery is a component of chief value is 25 per cent ad valorem.

Norton Company is the largest manufacturer of grinding wheels, stones, and abrasive products in the country. The present duty on these articles of 25 per cent ad valorem has served to curtail the importation of a lot of cheap goods made by low-paid labor. The proportion of labor cost on the grinding wheel is about one-third of the entire cost, and the labor is skilled labor and is paid accordingly. Located, as foreign countries are, near the source of supply of emery, which comes largely from Turkey and Naxos, they are

able, with their low-cost labor, to manufacture abrasive goods at a much lower cost than they can be manufactured in the United States. The duty of 25 per cent is already so reasonable that it is only one element in the protection of this business. The class of trade supplied from abroad will doubtless continue to be supplied as at present, and the United States Government will collect its 25 per cent revenue. If the duty is reduced, we do not believe that the imports will be materially increased. The duty, however, is now reasonable, and we should dislike to see an opportunity opened for the importation into this country of more cheap goods than are now sold.

We believe, however, in a revision of the tariff, and have gone on record as strongly favoring a maximum and minimum tariff in order to promote a reciprocal trade with foreign countries. We believe that the maximum tariff under this schedule should be the present tariff. As a minimum schedule, we would suggest a reduction of 25 per cent from the present rate, so that the minimum schedule should be 20 per cent ad valorem.

Respectfully submitted.

NORTON COMPANY,
By GEO. I. ALDEN, *Treasurer.*

CANADA CORUNDUM.

[Paragraph 419.]

THE SAFETY EMERY WHEEL CO., OF SPRINGFIELD, OHIO, URGES THE REMOVAL OF DUTY FROM CORUNDUM.

SPRINGFIELD, OHIO, *December 14, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: On the suggestion of the Hon. J. B. Foraker, we desire to call your attention to the duty on Canada corundum, which, as you know, is 1 cent per pound. As manufacturers of abrasive wheels, and using a large amount of this material, we feel that this duty is a burden that the manufacturers of abrasive wheels in this country should not be called upon to bear. There is not a single pound of corundum being mined in the United States to-day; neither does this corundum compete against any emery produced in the United States, as the American emery is of such a very poor quality that we do not know of a single emery-wheel manufacturer who uses it in his product.

We feel that the duty should be entirely taken off from Canada corundum, and solicit your interest in this matter.

Trusting you will give it your attention, and thanking you in advance, we beg to remain,

Yours, very truly,

THE SAFETY EMERY WHEEL CO.,
By J. B. BAKER, *Secretary and Treasurer.*

**THE AMERICAN EMERY WHEEL WORKS, PROVIDENCE, R. I.,
WISHES PULVERIZED CORUNDUM PUT ON FREE LIST.**

PROVIDENCE, R. I., *December 17, 1908.*

Mr. PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: We wish to call the attention of your committee to the duty on corundum grains (ground or pulverized corundum) and state the reasons why we believe corundum grains should be put on the free list.

Corundum (by which we mean corundum grains) was not listed in the Dingley tariff bill, but it has always been taxed under the classification of emery grains, the duty being 1 cent per pound. This seems to be obviously wrong, and we believe a serious, though excusable, mistake was made in classifying corundum as emery.

Emery is magnetic iron ore carrying 30 to 60 per cent of microscopic corundum crystals. Emery ore is mined almost wholly in Turkey and Greece. The ore occurs in solid, massive form, free from foreign matters. It is shipped, just as it comes from the mines, to this country at a very low freight rate. There are several companies in this country engaged in crushing and grading emery ore, and the duty of 1 cent per pound on emery grains was doubtless (and properly) imposed to protect these companies.

The circumstances surrounding corundum are entirely different. The ore is in the form of small crystals. These crystals are embedded in various kinds of rock. The proportion of corundum crystals is seldom 10 per cent of the whole mass. It is therefore absolutely necessary to crush, grade, and separate the corundum grains at the mines. The only source of corundums suitable for our purpose (the manufacture of grinding wheels) is Canada. There is no corundum being mined in this country of any commercial importance, and there never has been a supply in this country suitable for our requirements. Inasmuch as corundum ore can not be brought into this country (as 90 per cent or more of rock would have to be brought with it), it can not be crushed and graded here, duty or no duty. We would also mention that the Canadian government demands that the ore be crushed and graded in Canada.

Corundum can not be said to compete with emery, as it is sold for about double the price. We are obliged to use corundum in making a large proportion of our wheels, as wheels made of emery are not nearly as efficient as wheels made of corundum for most grinding operations.

We and other manufacturers of corundum wheels come in competition with wheels made of artificial abrasives. These artificial abrasives are made by patented processes, and are monopolized exclusively by the companies making them. These two companies are not selling their patented abrasives to other wheel manufacturers.

It will be noted from the foregoing that the duty on corundum grains protects no one but the manufacturers of the monopolized artificial abrasives. The duty makes the wheels cost more to the consumer, and works a hardship on the wheel manufacturers who have to compete with manufacturers using their own monopolized abrasives.

The duty lessens our export trade, as corundum wheels are made in Europe, especially Germany, at lower prices than we can make them. We make better wheels than the Germans do, and with corundum on the free list (equivalent to a reduction of about 14 per cent in its cost) we could largely increase our export trade. We are unable to take advantage of the drawback on account of the constantly varying proportion of corundum and other materials in our wheels.

We request that you give this matter careful consideration. We believe all of the manufacturers of corundum wheels will indorse the statements we have made.

Yours, very truly,

AMERICAN EMERY WHEEL WORKS,
H. A. RICHMOND.

**STATEMENT MADE BY E. B. PIKE, OF PIKE, N. H., WHO ASKS THAT
CORUNDUM ORE BE PLACED ON THE FREE LIST.**

SATURDAY, *December 19, 1908.*

The CHAIRMAN. Where do you reside?

Mr. PIKE. At Pike, N. H. I wish to present what I have to say very briefly, and I will try to finish in five minutes. I hold in my hand, Mr. Chairman, a piece of corundum ore, and I will tell you in just a moment what I am here to ask. I am directly interested in two companies that manufacture abrasive material for grinding, polishing, sharpening, and so forth, and in behalf or in the interest of some twenty other manufacturers of grinding wheels, and in the interest of all American manufacturers of iron, steel, copper, brass, stone, wood, and every other material that requires a tool for cutting, I wish to ask this committee to put corundum on the free list.

Mr. DALZELL. Under what paragraph does corundum come?

Mr. PIKE. Corundum is not listed. It is under paragraph 419, classified with emery, put there by the appraiser, as I understand, as emery, by some misapprehension or confusion.

Mr. DALZELL. I think it comes in under paragraph 193.

The CHAIRMAN. Metals not provided for?

Mr. PIKE. It is not provided for in the Dingley tariff.

Mr. DALZELL. Is it not provided for under paragraph 193, which reads:

Articles or wares not specially provided for in this act, composed wholly or in part of iron, steel, lead, copper, nickel, pewter, zinc, gold, silver, platinum, aluminum, or other metal.

The CHAIRMAN. That is where it comes.

Mr. PIKE. Possibly, in a general way.

Mr. DALZELL. The duty is 45 per cent?

Mr. PIKE. No, I beg your pardon; you will find it in paragraph 419, classified with emery.

Mr. DALZELL. That duty is 25 per cent?

Mr. PIKE. Twenty dollars per ton. One cent a pound.

The CHAIRMAN. It does come under the emery paragraph, I know.

Mr. PIKE. Yes; it does come under the emery paragraph. I have made no attempt to present a technical brief, but merely to outline

the points, and I will submit to the committee later such statement as you want. This is classified as emery, not as emery ore, and it is brought in in the crushed form.

The CHAIRMAN. Emery ore is free?

Mr. PIKE. Yes; emery ore is free. Emery coming in in this form would come in free. The point I want to make is this, that nothing is accomplished for the benefit of American industry or protection for any American resources by affixing this duty—by classifying it as emery. It was done under some misapprehension. It was a substitute for emery, in a sense.

The CHAIRMAN. You want corundum ore put on the free list?

Mr. PIKE. I want corundum ore put on the free list.

The CHAIRMAN. How about the manufactured product?

Mr. PIKE. The manufactured product may remain free. I presume it brings a duty now. I do not care; that is immaterial. Simply in the interest of grinding wheel manufacturers and manufacturers of abrasives, we want the raw material brought in free—that is, the crushed corundum. It can not be brought in in the ore form. These little crystals here have to be separated at the mines from the rock; that is, the corundum crystal. In the gem form that is the ruby or the sapphire, the hardest gem in the world; but emery comes in in great masses and pieces.

The CHAIRMAN. It is not found in this country?

Mr. PIKE. I do not say that, but there is no supply that is obtainable in commercial quantities. I have been an owner for ten years of prospective corundum mines in North Carolina. Corundum occurs there, but in limited amounts, in pockets. I presume more than a million dollars has been spent in trying to develop it. A little is also found in Montana, but of a low grade. Large amounts have been expended in trying to develop it. Some is imported from India. But the only supply that can be depended upon to produce a large quantity suitable for the needs of the manufacturers of this country, which is so far known, is in Canada.

The CHAIRMAN. Has it any other use except that for which emery is used?

Mr. PIKE. No; in general it is used only for grinding or sharpening purposes, but it is superior to emery.

The CHAIRMAN. It is used also for polishing?

Mr. PIKE. Yes, sir; for polishing. No good is accomplished, as I say, by this duty, and it works so much of an extra hardship, as it makes an extra price.

The CHAIRMAN. Is any emery produced here?

Mr. PIKE. No; no emery is produced here. There are two so-called "deposits" of emery ore, but it is brought from Asia Minor and Greece in the form of ore, in large massive blocks, and brought in free and is crushed here. The duty on emery, I presume, is for the purpose of protecting the American crushing mills, and if corundum could be brought in, if it occurred in such form that it could be brought in, in the ore form, the situation would be satisfactory, but it can not be. A penalty of \$20 a ton is put upon corundum, the better material, the more desirable material, quite unintentionally, I apprehend.

Mr. UNDERWOOD. How much is it per ton?

Mr. PIKE. Twenty dollars per ton; 1 cent per pound. That is done presumably to protect the American crushers of corundum, the same

as is done in the case of emery, but there are no crushers of corundum and can not be, because the ore averages less than 10 per cent.

Mr. UNDERWOOD. You manufacture these "Pike whetstones," and so forth, do you not?

Mr. PIKE. Yes, sir.

Mr. UNDERWOOD. In your finished product, how much corundum is there? How much corundum goes into the finished product; what is the percentage?

Mr. PIKE. I will have to make it brief, because I am late, and I am talking hurriedly for that reason, having waited all day. There is none of it in our whetstones, except in the corundum oilstone, which is made of pure corundum, and perhaps 98 per cent of the consumption of corundum is in grinding wheels, what is known to the trade or the layman as the "emery wheel," in which the emery is replaced by corundum, because it is the better cutting material. In our corundum wheels we use only corundum and a bonding material.

Mr. UNDERWOOD. What is that?

Mr. PIKE. The bonding material, the binding material; the clays.

Mr. UNDERWOOD. That costs you \$20 a ton. Now, what is the value of the corundum in the grinding wheel?

Mr. PIKE. About 80 per cent—no; it is over 90 per cent of the value of the wheel.

Mr. UNDERWOOD. The labor cost, then, is not much?

Mr. PIKE. I was thinking you meant of the materials used in the wheel. The labor cost is an important factor; probably 20 per cent. I will have to give you an offhand estimate.

Mr. UNDERWOOD. You say the labor cost is 20 per cent of the cost of the wheel. Then the corundum will form 80 per cent of the cost?

Mr. PIKE. I should say so, offhand. I would want to modify that later by investigation of the figures.

Mr. UNDERWOOD. What do you sell that wheel for?

Mr. PIKE. The prices vary from 5 cents up into very large amounts, according to the size. The wheels run from a fraction of an inch to 4 feet in diameter.

Mr. UNDERWOOD. From a fraction of an inch?

Mr. PIKE. Yes. They are used in the mouth, for your teeth, and in the big factories for grinding steel.

Mr. UNDERWOOD. Take some average wheel so that we can get some average price.

Mr. PIKE. That would be rather impossible. If you ask me for some specific purpose, it would be easier. Take a wheel for grinding saws in your southern country. The corundum wheel is the wheel used for grinding saws. It cuts them and does not draw the temper. A wheel twelve by five-eighths would bring \$2.

Mr. UNDERWOOD. That is a wheel that retails for \$2?

Mr. PIKE. I presume so. I am not connected with the trade.

Mr. UNDERWOOD. What is your cost price for that wheel?

Mr. PIKE. I should say not far from half that; a little over, perhaps; say \$1.15.

Mr. UNDERWOOD. Now, what is the value of the corundum in that wheel?

Mr. PIKE. Of course you will allow me to state there that between our cost and the consumers' price come two profits, at least.

Mr. UNDERWOOD. I understand.

Mr. PIKE. Yes.

Mr. UNDERWOOD. What is the value of the corundum in that wheel which costs you \$1.15?

Mr. PIKE. It would be quite conjecture to give you that offhand, but I am quite willing to prepare a detailed statement if the committee wishes it. I only wanted to present the salient points and not go into those figures.

Mr. UNDERWOOD. But it is material for me, Mr. Pike. This is a question of revenue. There is some revenue produced by it. I would like to get an estimate if I can, and that is the reason I am asking you these questions, as to how much the burden on your business of this present tax is, and that is what I am trying to bring out by these questions. I want to find out how much a ton you are selling this stuff for; that is practically what the question amounts to, and that is the reason I am asking you how much corundum there is in this wheel at \$1.15.

Mr. PIKE. Yes; I would like to say this, rather than try to make a specific answer: That this duty prevents the American manufacturer from using corundum to anything like the extent he could and ought to use it in the interests of the American manufacturers as a whole. The consumption of emery is large and of corundum small, and the duty is to an extent responsible.

Mr. UNDERWOOD. I understand you are satisfied with your opinion about it. That is your opinion. But we can not come to an opinion on that question unless you give us the facts, and unless you give us the amount of corundum that goes into one of these wheels and what you are selling it for there is no way in which we can ascertain what burden is being placed on you by this taxation.

Mr. PIKE. Could I perhaps answer that by stating that I should presume the removal of this duty would make 10 per cent difference, would make a 10 per cent lower price, or something like that? Would that answer your question?

Mr. UNDERWOOD. No; it is not the selling price I am inquiring about, or what the consumer would get it for. You say that the duty makes this corundum cost you so much. The duty is \$20 a ton. Now, how much do you pay for the corundum itself, yourself?

Mr. PIKE. One hundred dollars a ton at the mines.

Mr. UNDERWOOD. And then you pay a duty of \$20 a ton?

Mr. PIKE. I think I can perhaps give you a fact that will make clearer your point. Emery comes in in that form free of duty and is crushed here by American mills. It comes in pure—95 per cent pure, perhaps—and sells at from 3 to 3½ cents per pound. Corundum costs 5 cents at the mines and is brought in here, and it costs, with the duty, 6 to 6½ cents, or double the cost of emery.

Mr. UNDERWOOD. I think you have answered my question to some extent. Your corundum costs you \$100 a ton at the mines. After you get it in here, besides the freight rate you have got a duty of 20 per cent?

Mr. PIKE. Yes, sir.

Mr. UNDERWOOD. This duty amounts to one part in six of what you pay for it?

Mr. PIKE. Yes.

Mr. UNDERWOOD. So that the duty in the wheel amounts to one part in six?

Mr. PIKE. Yes.

Mr. UNDERWOOD. Then, what is the cost of that wheel at your factory that you sell for \$1.15? That gives us the burden.

Mr. PIKE. That I could not state without taking up factory costs and taking a specific wheel, which I have not in mind, because that is only one perhaps of several thousand sizes. The multiplicity of sizes of wheels is something tremendous—enormous.

Mr. UNDERWOOD. What is the average profit you make on these wheels?

Mr. PIKE. The net profit?

Mr. UNDERWOOD. Yes.

Mr. PIKE. I have been four years in the manufacture of corundum wheels, and I am trying very hard to get it onto that side of the ledger. That is one of the things I am striving for, believing this will help; but so far the profit is not a very considerable item.

Mr. UNDERWOOD. I had an idea that your business must afford a pretty good profit, because as I understand for your whetstones you mine your material in Arkansas and ship it all the way to New Hampshire and grind it and make it into whetstones and sell it.

Mr. PIKE. That business stands on its own feet and has nothing to do with the corundum wheel business. My Cortland Corundum Wheel Company is in Cortland, N. Y., and the Pike Whetstone Company makes whetstones, and we dig the material out of the hills of Arkansas as my grandfather did many years ago, and ship it to New Hampshire, and the freight rate is 15 to 25 per cent on the finished article.

Mr. UNDERWOOD. The freight rate on the rock, shipping it across the continent, if it should be successful, would make a pretty good profit.

Mr. PIKE. That would appear so, but that is fallacious.

Mr. UNDERWOOD. I think if you would file the figures that show what I have asked you for it would throw a good deal of light on the question whether we ought to leave this duty on for the revenue, perhaps, or take it off entirely, so that your industry might survive.

Mr. PIKE. Taking it in the broadest sense, any figures you indicate I will be glad to give you at a later time; but taking it in the broader sense. I am not speaking so much for our individual industry, because we can protect ourselves, but this protects two monopolies in abrasives. Three abrasives are in the field now, two of which should be replaced by the better material, according to the American methods; corundum, which is not supplied in this country, and two artificial abrasives which are monopolies, being in the hands of patentees, who are able to get a vastly greater profit than we can make. We are contending against them and producing a better wheel for many purposes—not for all purposes. But we can show a decided reduction of cost and improvement in the production of every iron, steel, glass, and stone manufacturer in the country by giving him the better wheel. It is becoming more a question of the tool in every factory, and it is therefore in the interest of American industry in the broadest sense to procure corundum and use it; so that I do not make the plea on the ground purely of our own profit or that of the other manufacturers of corundum and emery wheels, but because it is in the interest of the country to-day; and if the supply could be obtained here in this country it would be a splendid thing for us.

Mr. UNDERWOOD. Your industry is to be considered on one side and the revenue on the other, and you ask us to cut off a certain amount of revenue that the Government is obtaining—

Mr. PIKE. That is quite trifling, I assure you.

Mr. UNDERWOOD (continuing). And to assist your industry. Now, we would like to have these facts.

Mr. PIKE. Yes; I would be very glad to give them to you, and I would like to state that I am interested as a consumer and as a producer. That might be brought up later on, to offset anything I might state. I tried to produce here for ten years, and failing to do so I have taken a temporary interest in Canada, and I appear here for the consumer, because the difference in duty will not make any difference to the owner of the mines, but to the consumer.

Mr. Chairman, will you indicate perhaps a little more definitely the information which you want me to give?

Mr. UNDERWOOD. The information which I asked for was, what was the profit on this \$1.15 wheel you said you could give me. I want the information as to what the amount of the corundum is, and the profit.

Mr. PIKE. I think I understand. Thank you.

EXPLOSIVES.

[Paragraphs 421 and 422.]

ROBERT S. WADDELL, OF PEORIA, ILL., RECOMMENDS THAT ALL EXPLOSIVES BE PUT ON THE FREE LIST.

PEORIA, ILL., *January 13, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the matter of the tariff schedules on explosives, I desire to submit a few reasons why explosives should be placed upon the free list.

1. Because a protective tariff is wholly unnecessary.
2. For the reason that it is harmful to the people and the Government and is of no benefit to the American manufacturers.
3. The American powder and dynamite trust by its unlawful acts against the Government has forfeited all right to Federal protection.

Waiving all discussion of the willful violation by the powder trust of state and national laws prohibiting monopolies in restraint of trade within the United State, I invite your attention to a few extracts copied from the World Agreement fixing prices, restraining trade, dividing the markets of the world between the American and European explosives trusts, with our comments thereon.

This agreement was made in October, 1897, for a long term of years and to continue indefinitely thereafter from year to year until six months' notice of intended termination is given.

The "common (or slush) fund" is now on hand, undivided, and available for use.

Agreement made this 26th day of October, 1897, between Messrs. E. L. Du Pont de Nemours & Co., of Wilmington, Del.; Lafin & Rand Powder Company, of New York City; Eastern Dynamite Company, of Wilmington, Del.; The

Miami Powder Company, of Xenia, Ohio.; The American Powder Mills, of Boston, Mass.; The Aetna Powder Company, Chicago, Ill.; The California Powder Works, of San Francisco, Cal.; The Giant Powder Company (Consolidated), of San Francisco, Cal.; The Judson Dynamite and Powder Company, of San Francisco, Cal. (hereinafter collectively referred to as the "American factories") of the one part, and The Vereinigte Kohn-Rottweiler Pulverfabriken, of Cologne; The Nobel-Dynamite Trust Company (Limited), of London (hereinafter collectively referred to as "the European factories") of the other part.

Whereas the parties hereto own or control a large number of companies and works engaged in the manufacture and trade of explosives, and

Whereas it has been deemed advisable to make arrangements, so as to avoid anything being done which would affect injuriously the common interest,

It has therefore been agreed as follows:

The word "explosives" in this agreement is to be understood as including detonators, black powder, smokeless sporting powder, smokeless military powder, and high explosives of all kinds.

A list of all the companies and factories controlled by the American factories directly or indirectly is to be prepared and handed by Messrs. E. I. Du Pont de Nemours & Co. in duplicate to the European factories at the time of the execution of this agreement, and the European factories are to hand to Messrs. E. I. Du Pont de Nemours & Co. a complete list of companies controlled by them directly or indirectly when executing this agreement.

The lists exchanged show dozens of manufacturing corporations, both American and European, not mentioned in the agreement, but all parties in the world trust.

It embraces a complete monopoly in the United States of black sporting and rifle powders; black military, ordnance, and saluting powders; smokeless ordnance and military powders; more than 99 per cent of smokeless sporting powders; all fuse powders; more than 95 per cent of dynamite and other high explosives; all detonators for firing high explosives, and more than 95 per cent of the blasting and mining powders manufactured and consumed in the United States. The chief exception is the trivial amount of smokeless ordnance powder made by the navy at Indian Head plant and by the army at its miniature plant, Dover, N. J.—scarcely enough for current target practice.

Of nearly a million pounds black military and sporting powders made per year in the United States, this Du Pont trust produces all and fixes the price, with a net profit of 150 per cent.

Foreign competition is prohibited. Domestic competition impossible.

The American factories bind themselves not to erect factories in Europe, and the European factories undertake not to erect any factory in the United States of America.

Whenever the American factories receive an inquiry from any Government other than their own, either directly or indirectly, they are to communicate with the European factories through the chairman appointed as hereinafter set forth, and by that means to ascertain the price at which the European factories are quoting or have fixed, and they shall be bound not to quote or sell at any lower figure than the price at which the European factories are quoting or have fixed. Should the European factories receive an inquiry from the Government of the United States of North America, or decide to quote for delivery for that Government, either directly or indirectly, they shall first in the like manner ascertain the price quoted or fixed by the American factories and shall be bound not to quote or sell below that figure.

The American powder and dynamite trust is hereby authorized and empowered to fix the price to be charged the Federal Government for smokeless ordnance and military powders, and for dynamite and other high explosives for the Panama Canal. Competition is eliminated, and the power of the Du Pont trust is supreme.

Should independent competition develop in this country two-thirds of an enormous common fund, contributed by the wealthiest monopoly in the world, is available for its destruction.

The Du Pont trust has claimed that the joint army and navy board fixed the price of ordnance smokeless powder. By this agreement the Du Pont trust fixes the price. This caused the Government to pay 75 cents, and it now pays 69 cents per pound for powder that costs 32 cents to manufacture.

From the execution of this world agreement in 1897 up to date the president of the Du Pont trust has continuously served as the "American chairman." His duties and powers are later defined.

Here follows the division of the markets of the world, including all this side of Mars and other celestial bodies:

It is agreed that the United States of North America, with their present or future Territories, possessions, colonies, or dependencies, the Republics of Mexico, Guatemala, Honduras, Nicaragua, and Costa Rica, as well as the Republics of the United States of Colombia and Venezuela, are to be deemed the exclusive territories of the American factories and are hereafter referred to as "American territory." All the countries in South America not above mentioned, as well as British Honduras and the islands in the Caribbean Sea which are not Spanish possessions, are to be deemed common territory, hereinafter referred to as "syndicated territory;" the rest of the world is to be the exclusive territory of the European factories, hereinafter referred to as "European territory."

The American factories are to abstain from manufacturing, selling, or quoting, directly or indirectly, in or for consumption in any of the countries of the European territory, and the Europeans are to abstain in like manner from manufacturing, selling, or quoting, directly or indirectly, in or for consumption in any of the countries of the American territory. With regard to the syndicated territory neither party are to erect works there, except by a mutual understanding, and the trade there is to be carried on for joint account in the manner hereinafter defined.

The American factories shall forthwith designate in writing a chairman and vice-chairman, who shall hold office as such until their respective successors shall be appointed by the party of the first part, and such chairman, or in his absence such vice-chairman, shall be the authorized representative of the American factories, to whom and through whom all communications, acts, and transactions in respect to this agreement, unless otherwise stipulated, shall be had; and the European factories shall likewise forthwith designate in writing a chairman and vice-chairman, to whom shall be referred all matters which by terms of this contract are made referable to the chairman representing the European factories. The said chairmen or vice-chairmen shall jointly establish rules for the carrying out of the syndicate arrangements hereinafter referred to.

The chairmen shall from time to time mutually agree upon a basis price for each market in the syndicated territory, such basis price to include cost of manufacture, freight, insurance, landing charges, magazine charges, and all other charges until delivery, including agency commission and the contribution toward the common fund hereinafter stipulated.

The chairmen shall likewise fix a selling price for each market, which is to be deemed a convention price, below which no sales are to be effected, and the difference between the basis price and the selling price is to be deemed the syndicate profit, and to be divided in equal shares between the American factories and the European factories.

After deducting the American territory and the syndicated or pooled territory, the "rest of the world" is the exclusive territory of the European factories.

Please note the American factories are to abstain from manufacturing, selling, or quoting in the "European territory," and the Europeans are to abstain in like manner from manufacturing, selling, or quoting, directly or indirectly, in or for consumption in any of the countries of the "American territory." This portion of the agreement is strictly enforced at the present time.

It is wholly unnecessary to protect the American manufacturers with a tariff, when they have so completely protected themselves by contract. The Du Pont trust is superior to tariff, as well as all other laws.

Should independent factories develop in Europe and desire business in this country why should Congress deny the American consumers the privilege of protecting themselves against the greed of the Du Pont trust by purchasing abroad and without the payment of tariff charges?

The American powder trust has ample protection in the enormous "common fund" contributed by the foreign and domestic trusts, two-thirds of which is available for the destruction of American commerce that comes in competition with this world monopoly.

Please note the "syndicated territory" and the method of fixing prices, restricting trade, and the division of profits between the American and foreign powder trusts. This method is in effective operation to-day, regardless of the expiration date of written contracts. The world trade was divided and the contract results remain in statu quo.

A common syndicate fund is to be constituted by a payment of \$1 per case of 75 per cent dynamite or per case gelignite, gelatin dynamite, or blasting gelatin, and a payment of such portion of \$1 as the percentage of nitroglycerin in lower grade dynamites bears to 75 per cent, until such fund reaches the amount of \$50,000, when the contribution is to be reduced to one-half the above-mentioned rates.

The syndicate accounts, according to clause 10, made up to December 31 in each calendar year, are to be handed in by both parties so as to reach the chairman of the other party by April 15 next ensuing, and the payments for the balance are to be made by June 30 following, when the amount contributed to the common fund shall likewise be paid.

The common fund shall, as the chairman may decide, be invested in government securities, and it is from this fund that any fine or fines hereinafter stipulated, not recovered from the parties, shall be taken. It shall likewise be admissible for the chairmen to dispose of two-thirds of the common fund for the purpose of protecting the common interest against outside competition.

Any breach of this agreement shall be adjudicated upon by the chairmen, and if they can not agree they shall appoint an umpire. For the guidance of the chairmen and umpire it is agreed that, should either of the parties erect factories in a country reserved to the other, the liquidated damages shall not be fixed lower than £10,000.

Should either party trade in the territory of the other, it shall be admissible for the chairmen to absolve them of any accidental breach; but if an intentional breach shall be proved, the fine shall be the invoice value of the goods supplied. No restriction is placed on the decision of the chairmen as to the penalty to be imposed for intentional underselling in one of the markets of the syndicate territory.

There has not been a single independent competitor of this American powder trust within the United States during the past ten years that has not felt the blighting force, directly or indirectly, of this common fund. All have been its victims. The destructive methods of the American trust have been sufficient to blight competition in this country, but when to this is added the contributions of the wealthy European factories, through the common fund, for the elimination of competition, it is a marvel how any competitor has survived.

The enormous proportions of this common fund may be judged by two items:

The United States Government places orders frequently for lots of eight and ten million pounds of 75 per cent nitroglycerin dynamite

for the Panama Canal. Ten million pounds means 200,000 cases. At \$1 per case this would net \$200,000. At 50 cents, the minimum per case, the contribution on this single order would net a payment of \$100,000 into the common fund. A single shipment, oft repeated, from European factories to South Africa would contribute a larger sum to the common fund; yet these are only two points of activity in the great markets of the world.

An independent manufacturer of explosives in the United States, with this great organized combination of foreign and American monetary interests against him, has about as much chance to survive as a snowball in—the Tropics.

Why should the patriotic representatives of the American people protect this gigantic powder monopoly with a tariff at the expense of their constituents?

The present tariff on blasting powder is 4 cents per pound, or \$1 per keg: In Pennsylvania, West Virginia, and throughout the Middle West the powder trust now fixes the delivered price of this article at \$1.10 per keg and supplies most of the trade at \$1.

The freight rate from the seaboard will average 20 cents per keg. The manufacturing cost varies from 80 to 90 cents per keg at mills.

Think of a protective tariff of \$1 per keg on an article that sells inland for \$1, which costs at the seaboard 90 cents to import and 20 cents freight cost to deliver. This powder for the past five years has all been sold at from 90 to 95 cents, until the larger independent companies were ruined and absorbed (my own company among others), when the present list was established.

Please note that if the European trust should sell in this country at any price, the offending company is fined the full "invoice value of the goods supplied;" and if it fails to pay the fine, it is paid out of the "common fund." Free trade would be futile in securing competition. A protective tariff is ridiculous.

With regard to the markets in the European territory in which the American factories have already done business, and from which—in accordance with the stipulations of this agreement—they are to retire, as well as the markets of the American territory in which the European factories have already done business, and from which they are—according to the stipulations of this agreement—to retire, the following is agreed:

Agents are, as far as possible, to be retained by the party who is henceforward to do the business in the market question.

Magazines are in a like manner to be taken over at their present value, to be determined by mutual agreement or arbitration.

Stocks, if in good merchantable condition, are to be taken over at full cost, i. e., the amount which the goods at present cost, with accumulated charges.

This agreement is to be in force for ten years, beginning from July 15, 1897, subject to written notice being given six months prior to July 15, 1907. In the absence of notice this agreement is to continue thereafter from year to year until such six months' notice of intended termination is given.

Settlements have been made annually for many years between the American and European chairmen under this world agreement. It is still in full force and effect and will remain so for years, with some variations made by the chairmen, to avoid technical complaints and proofs; the trade of the districted territories is restrained, and the common fund is undistributed.

Was not this world agreement a willful violation of both the civil and criminal laws of our country, prohibiting monopolies, the fixing of prices, and the restraint of trade?

Courts may dissolve and enjoin the present form of this world monopoly; it will only change its chameleon hue and continue in efficient operation.

You may break, you may shatter the vase if you will,
But the scent of the roses will hang round it still.

No independent powder manufacturer, possessing a full knowledge of the situation, would desire a protective tariff on explosives.

Their production is limited to blasting powder and dynamite, and the powder trust fixes a ruinously low price on these, depending for its rich revenues on the support of the United States Government, through its excessive price and liberal and exclusive purchases of ordnance and military smokeless powders, and dynamite for the Panama Canal.

A protective tariff is not necessary either on blasting powder or dynamite. There is no competition in the United States with the Du Pont trust on black rifle, sporting, and military powders, nor on smokeless sporting, ordnance, and military powders. On these the American trust enjoys a complete monopoly and is amply protected from foreign competition by its world agreement.

We therefore respectfully protest against any protective tariff on explosives and request, on behalf of the consumers of this country, that explosives be placed upon the free list.

The Congress and the President will need no interpreter to point with pride to the glowing patriotism and scrupulous fidelity of the Du Pont trust, as exemplified in its compact with foreign trusts to corner the markets of the world against the United States Government.

Its successful efforts in fixing an extortionate price and the elimination of all competition, foreign and domestic, in the supply of ordnance smokeless powder for national defense, are earnestly commended for the thoughtful consideration of those in Washington who have been the stalwart friends of the powder trust.

A careful perusal of this world agreement will disclose why our navy powder was tested in the guns of foreign nations, disclosing its quality and ballastic properties; and why the Du Pont trust built the factory in Brazil to manufacture American navy powder for use in foreign guns.

It is a matter of regret that the War and Navy Departments and the Congress have not taken concerted action to break this unholy alliance with the Du Pont powder trust and establish government plants of adequate capacity to conserve the public welfare.

Our patriotism should be broad enough and of a quality to freely grant protection to all American industries that need it. It should be vital enough to resent every successful combination with foreigners to "hold up" the United States Government for private mercenary purposes.

For the edification of the Congress I will be pleased to furnish a certified copy of this "world powder trust agreement," if it is desired.

Respectfully submitted.

ROBERT S. WADDELL,
President Buckeye Powder Company.

THE INDEPENDENT POWDER COMPANY, JOPLIN, MO., URGES RETENTION OF PRESENT DUTY ON EXPLOSIVES.

218 WEST FOURTH STREET,
Joplin, Mo., February 1, 1909.

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I have been informed that Robert S. Waddell, president of the Buckeye Powder Company, of Peoria, Ill., addressed a petition to your honorable committee under date of January 13, 1909, asking that powder and high explosives be placed upon the free list—that is, that foreign manufacturers be permitted to ship their explosives into this country duty free and compete with American manufacturers.

This company is strongly against this proposition, both as a general proposition and as a particular proposition applied to business in the southwestern part of this country.

The Independent Powder Company, of Missouri, is a strictly independent concern—that is, not allied with any other firm or corporation in any manner whatsoever. We are manufacturing from 25,000 to 35,000 pounds of dynamite per day at our factory near Joplin, Mo. We have numerous offices and magazines throughout the western half of the United States, and our trade covers a large territory, as we are, I believe, the only independent competitors of the so-called "powder trust" west of the Mississippi River.

One of our most important branch offices is at El Paso, Tex. Our representatives from this office visit the large mining trade in western Texas, New Mexico, and Arizona, and we have in these States a very valuable trade which we are anxious to hold.

Formerly we did a large business in the Republic of Mexico, shipping as high as eight or ten carloads of dynamite per month to the mercantile firm of Hasam & Moreno, Mexico City, and to the prominent railroad contracting firm of Hampton & Smith. We also had other important customers in the Republic.

About three years ago our business in the Republic of Mexico was suddenly stopped by a prohibitive import duty of \$6 per 100 pounds, imposed upon dynamite by the Mexican Government. A company, known as the Compania Nacional Mexicana de Dinimita y Explosives, had been formed in the Republic for the manufacture of dynamite. A prohibitive duty was placed upon dynamite, while black powder was left upon the free list, not being manufactured by the new company in Mexico.

Since the duty went into effect we received many letters from Mexican mine owners imploring us to do something for them on dynamite and complaining bitterly of the treatment they were receiving at the hands of the Mexican company. We were not able to help them.

The Mexican Dynamite Company, however, met with numerous accidents, and after endeavoring to operate their plant for about one year decided that it was cheaper to purchase dynamite than make it, especially as their concession from the Mexican Government permitted them and them only to import dynamite duty free under their charter. Consequently, through eastern friends of ours, we were favored with

orders for eight or ten carloads of dynamite, which we shipped into the Republic within a period of forty-five days.

The Mexican company, however, rebuilt their plant and endeavored once more to run it, some dissatisfaction with their business methods having grown up inside their company. I imagine the faction desiring to operate the plant was headed by Juan F. Brittingham, the manager and director of a large soap works at Torreon, Mexico. A soap concern, of course you understand, manufactures large quantities of glycerin and were interested in the Mexican Dynamite Company principally to secure a sale for their own product.

At any rate it appeared that some decided move was to be made by the Mexican company, and we sent a representative to Torreon to investigate conditions. He found the Mexican company was about to close a contract for the purchase of a large quantity of dynamite, it having developed that even with their plant in full operation they were unable to supply the demand in Mexico, all American manufacturers being shut out by the prohibitive duty of \$6 per 100 pounds.

As soon as it became known that our company was figuring on this contract the matter was closed up with the Dupont Powder Company before we had time to submit our figures.

Since that time I understand the Mexican Dynamite Company has largely increased their plant and are becoming a great factor in the dynamite manufacturing business.

I have given you this little history, so that you can appreciate our position should the duty be removed from dynamite by the United States Government. All our western mining business would be thrown open to the competition of the Mexican company, whereas we would be prohibited from entering Mexican territory by the \$6 per 100 pounds, which is about 50 per cent of the value of the goods at the border.

The present duty on dynamite brought into this country, which I understand is 4 cents per pound, is no more than enough to protect us against the lower cost of manufacture in Mexico. In this country dynamite labor is a very high-paid, skilled labor. In addition to our heavy pay roll we are, of course, called upon to stand the losses due to explosions and to frequently pay damage suits, which greatly diminish our profits.

The Mexican Dynamite Company, on the other hand, works the cheap Mexican peon labor, and I imagine suffers little loss from explosives other than the destruction of their property.

I feel very confident that this matter is worthy of your serious attention, and I feel, upon further investigation, you will develop the fact that Mr. Waddell's request for powder and dynamite to be placed upon the free list is merely to hurt what he has designated as the "powder trust," and not from any economic or philanthropic motives nor from a knowledge of the practical manufacture of dynamite.

While the actions of our largest competitor have at times been very painful to this company, at the same time we believe, as American manufacturers, our interests are the same as theirs where a matter of import duty is concerned.

I am not able at this time to appear before your honorable committee in person, but I will be glad to furnish you with any further data you may require in regard to the matter discussed in this letter,

and I will be glad to have some expression in regard to the matter from you.

I have the honor to remain, yours, very truly,

INDEPENDENT POWDER COMPANY OF MISSOURI,
N. P. ROOD, *Secretary*.

MATCHES.

[Paragraph 423.]

HON. D. F. LAFEAN, M. C., SUBMITS LETTER OF THE PENNSYLVANIA MATCH CO., BELLEFONTE, PA., PROTESTING AGAINST REDUCTION OF DUTY ON MATCHES.

BELLEFONTE, PA., *November 18, 1908.*

HON. D. F. LAFEAN, M. C., *York, Pa.*

MY DEAR MR. LAFEAN: We understand there is to be an effort made to have the duty on matches lowered. We feel that this should not be done for the following reasons:

The duty on materials we import is a considerable portion of the amount of protection we receive. We are importing for matches all our glue. The difference between domestic prices on chlorate of potash and the prices obtaining in Europe is very considerable. The raw material for this chemical is all imported from Germany. The chlorate of potash manufacturers are so thoroughly protected at this time that they obtain in this country about 1½ cents per pound more for chlorate of potash than the prevailing price in England, which is equal to about 30 per cent duty on the article.

Prices abroad on paraffin wax are uniformly lower than here. The difference in the cost of labor between our home manufacturers and the English and German manufacturers is from 25 to 50 per cent more here. Manufacturers of matches in this country have at this time only a reasonable profit for the money invested, not more than 10 per cent. The consumer is getting his matches at a most reasonable price.

All in all, the duty on matches is very inconsiderable and ought not to be reduced.

Will you kindly take this up before the proper committee and present the points as we have outlined them above?

Yours, very truly,

THE PENNSYLVANIA MATCH CO.,
J. L. MONTGOMERY, *Treasurer*.

BRIEF SUBMITTED RELATIVE TO REDUCTION IN TARIFF ON MATCHES BY THOMAS CADWALLADER, VICE-PRESIDENT ILLINOIS MATCH CO., JOLIET, ILL.

WASHINGTON, D. C., *November 28, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee.

SIR: As a prelude to my protest against the reduction of the tariff on matches, I wish to state that the last thirty years' record of inde-

pendent match factories in the United States show something like 50 to 60 failures, entailing losses running up to several millions of dollars in that particular line of effort.

About thirty years ago, prior to the organization of the Diamond Match Company, it had become quite apparent to the several match factories then in existence that the competition of foreign match manufacturers would sooner or later affect them under existing conditions, and with that fact before them they no doubt were easily persuaded to enter into one company.

Since that time those who started in the manufacture of matches independently have had quite a hard time of it, and the consequence was that one after another failed in their enterprise. The smaller ones of course more quickly, but the larger ones in time, and out of this long list of failures there are to-day only 13 independent match factories in existence.

It is quite apparent that through the organization of the Diamond Match Company that they have been much better prepared to combat the low prices made by foreign match factories than they would otherwise.

In behalf of the Illinois Match Company, of Joliet, Ill., of which I am a stockholder and vice-president, I wish to enter a protest against any reduction of the tariff on foreign matches of any description. It is only within the last ten years that those manufacturers outside of the Diamond Match Company have been able to secure a foothold in the manufacture of this product in the United States.

There are at the present time 13 independent match factories running, in which are employed 3,000 to 3,500 people directly, and probably 5,000 more indirectly. There are at the present time five or six new companies in process of organization; some of them, no doubt, will be ready to start manufacturing within the next six months.

I beg to say that all the raw material that goes into the manufacture of matches in the United States is produced by American labor, and at a good wage for such labor, and believe that the manufacture of matches by so-called independent concerns, meaning those outside of the Diamond Match Company, is in its infancy, as it is a well-known fact that the increase in the consumption of matches in the United States is about 12 to 15 per cent each year, and with this increase coming along regularly there is plenty of room for a much larger number of manufacturers of matches at a reasonable profit for the investor, if conditions are kept at a point whereby such manufacturers will not have to compete against cheap foreign labor, which is used entirely in the factories from which foreign matches are imported.

Most of the independent factories mentioned herein which failed in the business, were started at points east of Ohio and north of the Mason and Dixon line, in which territory, owing to the low rate of freight from sea coast, the distributing points for foreign matches, and the low prices, they were unable to manufacture and sell at a profit or even cost, and in consequence thereof were driven to the wall. Nearly all of these concerns when they first started put in foreign match-making machinery, so they could make the same style match as the imported, but notwithstanding this condition they were unable to pay the price of labor in this country and make the matches to sell at a profit as against the foreign matches with the present duty, or the duty at that time added.

After the organization of the Diamond Match Company, about 1880, and prior to 1900, about thirty independent match factories were started, which went out of business or failed with approximate losses of about \$3,000,000. In 1900 three were started which failed or went out of business with approximate losses of \$50,000. Nineteen hundred and one shows thirteen new companies started and failed and went out of business with an approximate loss of about \$2,000,000. Nineteen hundred and two shows three enterprises which failed or went out of business with approximate losses of \$500,000. Nineteen hundred and three, two more were started which failed and went out of business with approximate loss of \$60,000. Nineteen hundred and five, one started and failed with approximate loss of \$30,000. Nineteen hundred and six shows one which failed and went out of business with a loss of \$20,000. And the record for 1907 shows four failures in the business, with an approximate loss of \$800,000, making a total of a loss within thirty years of near \$6,500,000 sustained by people who embarked in the match business.

It is extremely doubtful if more than three or four of the thirteen present independent match manufacturers are able to pay dividends regularly, and a reduction of the present tariff would without doubt drive most of them, if not all of them, to the wall. The business at the present time is growing very nicely, and it should grow much greater in time to come, but a reduction in the present tariff would work a great injury to an industry that has a wonderful possibility before it in the manufacture of one of the greatest commodities of the age.

While at the present time the Diamond Match Company controls about 70 per cent of the match business in the United States, yet the independent manufacturers if properly protected and fostered will sell matches as cheap, if not cheaper, than they do, and surely make inroads upon their proportion of the business very rapidly within the next few years, and at the same time give investors a fair return on their venture. In fact, if this protection is afforded, the developments of independent match manufacturers will show much greater progress in the next ten years than they have in the past thirty years.

If the Diamond Match Company, with its thirty years of experience, its wonderful economical machinery, \$16,000,000 capital, and being as it is acknowledged one of the best organized industries in the United States to-day, was able to earn in 1907 (said to be their banner year for the past ten years) only 14 per cent, I ask in all candor what would become of the independent manufacturers if we had to contend with any reduction whatever of the present tariff.

The importations of foreign matches into the United States in 1903 amounted to \$161,197, increasing to \$219,169 in 1908, about 35 per cent in four years, or about 9 per cent per year increase, which based on a match man's unit would approximate about one carload of matches per day, which quantity would be termed a very good output for an independent match factory.

In the year 1904 \$230,867, or about 50 per cent increase over 1903, worth of foreign matches were brought into the United States, and with my knowledge of conditions I make the assertion that this quickly increased percentage over 1903 was cut down in the following years only by increased facilities of the independent match manufacturers and their ability to invent more economical machinery

that enabled them to meet the competition with present tariff on foreign matches, both in quality and style. Had the present tariff not been such as to give the home manufacturers this opportunity to invent competitive machinery, there is no question whatever in my mind but the imported matches would have increased every year 50 per cent, as it did in 1904 as against 1903.

The independent match manufacturers are not afraid of competition at home, but the low-priced imported matches that come into the United States mainly from such countries as Austria-Hungary, Belgium, Germany, Italy, England, Norway, Sweden, Russia, and Japan, where they use in factories of our character the very lowest-priced labor obtainable, there being but very little so-called skilled labor employed in foreign match factories. I am told by old-country match employers that in most of the factories abroad women do the work for 50 cents per day which men get \$2 for doing in the United States.

Since I started the Illinois Match Company seven years ago the wages of our employees have been increased up to the present time in every department 15 to 25 per cent, while the price on matches is 10 per cent lower in some sections than in 1901, and I feel quite confident that this statement will be borne out by every other independent match manufacturer who was in existence at that time, as well as the Diamond Match Company. We are to-day paying such of our employees as are at the head of the various departments from \$2.50 to \$4 per day, while our common laborers around the factory get \$1.75 to \$2 per day, while from the best information obtainable I learn that the employees in foreign match factories working in the same relative positions get 40 to 75 cents per day and common labor 25 to 35 cents.

Notwithstanding the present tariff on imported matches, the price on an average has been lowered by foreigners on a number of sizes as much as 40 per cent within the last ten years, their ability to do so no doubt being brought about either by the lowering of their wage scale or willingness to sell their product on a *smaller* (I emphasize the word "smaller") margin of profit or both; yet they are just as solicitous to-day for business in the United States on a certain size, which they export largely into the United States at 23 cents per gross, c. i. f. (paying 8 cents duty), as they were ten years ago at 40 to 45 cents per gross. They have, by such reductions, forced the home manufacturer to sell this size at the same price, therefore causing loss to most, if not all, of the home manufacturers, a condition that home manufacturers can not get away from, as the buyers insist that they must be supplied with this same size and at the same price of foreigners, otherwise they will not buy certain large sizes from us on which we can make a little money. I believe I am stating nothing but facts when I say, commercially speaking, that there are no matches made abroad that we can not or do not make here.

Almost everything that goes into the manufacture of matches is much higher than it was ten years ago, and nearly everything in the way of raw products is continuing to cost a little more, generally speaking, each year.

Our home competition has brought the price down to the consumer where he can to-day buy 200 matches for a penny; ten or fifteen years ago he paid 3 cents for this quantity. Consequently I feel that, instead of any reduction of the present tariff on matches, that it should

be raised, thereby permitting us to make a fair profit on our investment, so that we can continue paying our labor in the United States a decent wage instead of 40 to 75 cents per day maximum paid by the foreigners.

The foregoing we trust will have your due consideration, and that the Ways and Means Committee will recognize at once the position in which the independent match manufacturers will be placed should there be any reduction whatever on foreign matches imported into the United States.

Yours, very respectfully,

THOS. CADWALLADER,
Vice-President Illinois Match Co., Joliet, Ill.

THE DIAMOND MATCH CO., OF NEW YORK, ASKS INCREASE IN DUTY ON MATCHES TO MEET FOREIGN COMPETITION.

NEW YORK, *December 16, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We respectfully ask your consideration of that portion of the tariff law fixing the import duty on matches, paragraph 423 of which is as follows:

Matches, friction or lucifer, of all descriptions per gross of 144 boxes containing not more than 100 matches per box, 8 cents per gross; when imported otherwise than in boxes containing not more than 100 matches each, 1 cent per 1,000 matches.

We ask that this paragraph be revised to read as follows:

Matches, friction or lucifer, of all descriptions per gross of 144 boxes containing not more than 100 matches per box, 12 cents per gross; when imported otherwise than in boxes containing not more than 100 matches each, 1½ cents per 1,000 matches.

There are about 15 or 16 companies engaged in the manufacture of matches in the United States, but the business is not one that has been generally profitable. While it is true the Diamond Match Company has been successful, it has been only because its constantly increasing volume of business has more than counterbalanced the steady increase in the cost of manufacture. In the production of matches white pine is almost exclusively used for the match stick or splint, because of its free-burning nature, its quick absorption of paraffin, and generally attractive appearance to the consumer; but, by reason of the continued advance in the price of lumber and labor, the cost of the stick has increased 70 per cent in the past ten years. During the same period all other materials, as well as labor employed in the manufacture of matches, have advanced greatly. Nevertheless the Diamond Match Company has made no corresponding advance in the selling price of its matches, nor were its prices advanced at the time the present tariff law went into effect. On the other hand, the company has relied for its profit upon its increased volume of business, due to the increasing consumption of matches, for, since the year 1890, while the population of the United States has increased but about 43 per cent, the consumption of matches has, it is estimated, increased nearly 150 per cent.

Matches are manufactured extensively in Great Britain, Sweden, Denmark, France, Belgium, Germany, Austria, Switzerland, Russia, Italy, and Japan. In all countries substantially the same ingredients are used for the composition of the head. The match stick or splint, however, as well as the box containing the match, are made of different materials in different countries, depending upon the materials available, the cost of such materials, and the requirements and demands of the trade. In the match-producing countries of continental Europe aspen, from Russia, is employed almost entirely for the stick or splint, and, up to the present time, it has been possible to obtain this wood at a low price. The season during which navigation is open and during which shipments of aspen logs may be made from Russian ports is short; furthermore, the wood begins to deteriorate very soon after it has been cut. For this reason, and for the further reason that under existing conditions it is impossible to contract for a supply for a number of years to come, The Diamond Match Company has not considered it practicable to buy aspen logs in Russia and import them into this country, nor has it felt justified in establishing a plant in Russia for the manufacture of match sticks or splints to be shipped into this country to be used in the manufacture of matches. It has, therefore, in the production of sticks or splints adhered to white pine, which costs appreciably more than the aspen used by match manufacturers in other countries. Consequently, its foreign competitors operate under a great advantage because of their ability to obtain, up to the present time, in a country comparatively near by lumber for match sticks or splints at a price much less than that which match manufacturers in this country are required to pay for the white pine they use. Even assuming, however, that it would be practicable to manufacture or buy match splints in Russia to be shipped into this country, a duty of 35 per cent would be levied thereon, as required by the existing law. In addition to the match stick or splint, the more important materials employed in the manufacture of matches are as follows:

Strawboard or box board, on which there is a duty at present of 25 per cent;

Pulp board, on which there is a duty of 25 per cent;

Wrapping paper, on which there is a duty of 25 per cent;

Glue, on which there is a duty of 2½ cents per pound when costing less than 10 cents per pound, and 25 per cent when costing more than 10 cents per pound;

Ink, on which there is a duty of 25 per cent;

Phosphorus, on which there is a duty of 18 cents per pound;

Chlorate of potash, on which there is a duty of 2½ cents per pound;

Coloring materials, on which the duties range from 25 per cent to 35 per cent;

Brimstone, on which there is a duty of \$8 per ton;

Flint, on which there is a duty of 35 per cent;

Whiting, on which there is a duty of one-fourth cent per pound.

The materials other than lumber used in the manufacture of matches in the match-producing countries of continental Europe will be found to cost less in such countries than in the United States by about the amount of duty that it would be necessary to pay on such materials if imported into this country. In point of fact, some of

the material used by The Diamond Match Company, in the manufacture of matches, notably glue, is imported. Scotch or Irish glue has been found to be more uniform and greatly superior to that produced in this country, due apparently to the greater care used in the selection of the stock from which it is made, and due also to the climatic conditions surrounding its manufacture.

In respect to labor, the average wage rate in match factories in the countries in continental Europe is only about 30 per cent of the wage paid in this country to the same class of operators. In England, where the wage rate is higher than on the Continent, there are over 600 girls employed in one of the prominent match factories, whose average weekly wage is 9 shillings 9 pence, whereas the average weekly wage rate of girls paid by The Diamond Match Company is about \$7.50. The match manufacturer in continental Europe, therefore, has advantages over the match manufacturer in the United States because of his ability (1) to secure lumber at a price materially less than that paid in this country for white pine; (2) to obtain other materials used in the manufacture of matches at a price less than the manufacturer in this country is required to pay by about the amount of duty on such materials; and (3) to employ labor at about 30 per cent of the price paid in this country for the same class of labor.

So far as the export trade in matches is concerned, the volume is almost negligible; from time to time The Diamond Match Company has sought to enter the field in South American countries, and while an occasional order has been secured, it has been unable to make any headway or come anywhere near meeting the prices of foreign-made matches.

We have heretofore confined our remarks to the conditions surrounding the production of matches in the match-producing countries of continental Europe. In reference now to the match situation in Japan, we invite your attention to a report of Consul John H. Snodgrass, published in the Daily Consular and Trade Reports of November 20, 1908, as follows:†

It is learned through the Osaka papers that a leading Japanese match-stick company is arranging to secure capital from the Swedish match trust. It is explained that Swedish match manufacturers, the principal match manufacturers of Europe, have cut down almost all the Scandinavian trees available for match sticks, and that they are now getting a supply of wood from Russia, where the supply is also falling short.

The trust formed in 1906 by eighteen match manufacturing companies of Sweden for the sale of matches has been quite successful, and it has been able to overcome the Japanese match competition in India. The Swedish trust, at the opening of such a brilliant future for its business, has begun to feel anxious regarding the sources of its future supply of wood for match sticks. Learning that Japanese match manufacturers, who have repeatedly failed in attempts to form a combination, are anxious to secure foreign money, and also that there is an abundant supply of match-stick wood in Japan, the Swedish syndicate has made investigations into the position of the industry in this country. Satisfied with the result of the investigations, the trust decided to invest money in the industry in Japan, and negotiations were entered upon with several Japanese companies. A proposal was made that the Swedish trust should take half the amount of the capital of the Japanese match-stick company already referred to, but in view of the depression of business in Japan the trust hesitated to agree to the proposal. Negotiations for the combination between the trust and the Japanese company have, however, again been opened. If the combination is successfully arranged, a large export of match sticks will result, and in that case the price in Japan will rise and the match industry, which is already suffering from the depression of trade, will be reduced to an even worse position. Therefore, manufacturers outside the proposed combination have been holding conferences to consider the course to be taken.

The leading match manufacturers of Kobe and Osaka are considering a proposal to incorporate the industry into one company, and, if possible, to obtain a charter to

monopolize the export of matches, this effort having been brought about by the alarming decrease of trade. There are 124 match factories in Kobe and Osaka. Of this number 13 in Osaka and 17 in Kobe have temporarily suspended operations, the output of matches falling off considerably in consequence. A local publication states on authority that the market in China and elsewhere in the Far East for Japanese matches (large sticks) has been largely encroached upon by Swedish and German matches. The export of Japanese matches so far this year shows a decrease of 40 per cent, as compared with the corresponding period of last year, and the outlook is considered almost hopeless unless united efforts are made by the companies to relieve the situation. It is expected that the amalgamation scheme will come to a successful issue. The total value of matches exported from Kobe and Osaka were as follows in 1906 and 1907: Kobe, \$4,207,413 and \$3,517,189, respectively; Osaka, \$1,212,932 and \$1,115,469, respectively.

Up to this time, as Mr. Snodgrass states, the match industry in Japan has been disorganized, and apparently but little capital has been available for the purpose of developing it and of establishing large plants. Due to the inferior character of the match heretofore produced there, relatively few have been imported into this country, and such small quantities as have been imported from time to time have been unsatisfactory. If, however, Swedish capital be invested in the business and the well-demonstrated ability and skill of the Swedish manufacturers be utilized in developing the match industry in Japan and in manufacturing such types of matches as the trade in this country demands, Japan will, by reason of the low cost of labor and of the lumber available for the manufacture of the match stick or splint, be able to produce matches at a price so greatly less than any other country that it could sweep the markets of the United States. While the rate of wages paid in match factories in England and on the Continent appears low as compared with the wages paid in this country, they appear high in comparison with the wages paid in Japan. Lumber suitable for the manufacture of matches can be obtained in Japan for greatly less than the amount we are required to pay for white pine in this country. The possibilities of the match industry in Japan were so well appreciated at the time the tariff duties were established in the Philippine Islands that the import duty on matches was fixed by the Philippine government at a figure that will be found to be approximately four times that now imposed by the United States Government.

If, as we contend, conditions are such as to justify an advance in the present tariff against the match manufacturers of continental Europe, how much more warrant is there for this contention in the face of the likelihood of the development of the match industry in Japan?

Practically the only type of match imported into this country is the safety match; it can be bought f. o. b. New York, duty paid, packed in zinc-lined cases, for 32 cents per gross of 144 boxes, each box containing about 60 matches. This is below the factory cost (eliminating entirely administrative, selling expenses, and profit) of a similar match made in this country of white pine, in the same kind of a box, containing the same number of matches per box, and packed in zinc or tin lined cases. An advance in the duty of from 8 cents to 12 cents per gross, or about one-half cent per thousand matches, would not, in our judgment, reduce importations nor work any hardship on the consumer, nor could it affect the price of parlor and double-dip matches, which form 95 per cent or more of the consumption of matches in this country. We ask, therefore, that the tariff on matches be increased from 8 cents to 12 cents per gross when packed in boxes containing

less than 100 matches per box, and from 1 cent to 1½ cents per 1,000 when imported otherwise than in boxes containing not more than 100 matches each.

Respectfully submitted.

THE DIAMOND MATCH CO.,
O. C. BARBER, *President.*

AMMUNITION.

[Paragraph 424.]

VON LENGERKE & DETMOLD, OF NEW YORK CITY, THINK THE
DUTIES IMPOSED ON AMMUNITION PROHIBITIVE.

349 FIFTH AVENUE, NEW YORK, N. Y.,
November 13, 1908.

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: As hearings on the proposed revision of the tariff have begun, we respectfully submit the following with a view of seeking redress from what we consider unjust and excessive duties applying to some articles in our line of business, and furnish facts and information showing why we call them unjust and excessive.

We refer especially to empty shotgun and loaded rifle ammunition, and also to guns, rifles, and revolvers in general.

The tariff duties on above ammunition have been practically prohibitive, and for a good many years have been the means of creating and fostering one of the most complete monopolies and most powerful trusts in this country, namely, the Ammunition Manufacturers' Association, a combination of the Union Metallic Cartridge Company and Winchester Repeating Arms Company and one or more smaller concerns controlled by above. These factories furnish fully 95 per cent of all the ammunition sold and used in the United States. There is only one independent company making a more or less complete line of goods, namely, the Peters Cartridge Company, and they have a business understanding with above and are obliged to conform minutely to prices and terms of the manufacturers' association.

The above firms have for many years controlled the various dealers of ammunition in this country absolutely and arbitrarily. For years the dealers were forced to sign "cast-iron" agreements not to deal in any other makes of ammunition, domestic or foreign, or to be cut off from the wholesale list and forfeit rebates which had accumulated on sales running as far back as six months. As the rebates, amounting to about 10 per cent, were in nearly all cases the whole profits the dealers could figure on, and as no other goods were procurable, importing them being out of the question on account of the duties, it left the dealers helpless in the matter. In recent years, in order not to conflict with the antitrust laws, the agreements between the cartridge trust and the trade were somewhat changed in phraseology—i. e., calling "rebates" now "salaries," etc.

The duties on ammunition range from 35 to 45 per cent ad valorem.

The two companies owning the manufacturers' association—the Union Metallic Cartridge Company and the Winchester Repeating Arms Company—turn out more goods, barring government ammunition, than all the ammunition factories in England, Germany, and France together. The quality of the American goods being as good as any, there can be no valid claim now for protection on account of an infant industry. The labor-saving machinery used for the manufacture of cartridges is nowhere better and more complete than here. This enables the American manufacturers to turn out goods cheaper than goods of equal quality can be made in Europe, in spite of the slight difference in cost of labor. It has further enabled the American manufacturers to successfully compete with the European manufacturers on their own ground at their own prices by selling their products to foreign countries at much cheaper prices than American dealers can buy their products here. On the other hand, competition by dealers in the United States with foreign-made cartridges is impossible, owing to the excessively high duties.

The result of above has been that while the American dealers are forced to do the bulk of their ammunition business at a promissory profit of 10 per cent and the American public has to pay from 20 to 30 per cent more than it ought to, the American cartridge manufacturers' monopoly is making millions of dollars per annum and has turned out several multimillionaires.

We wish to mention a couple of incidents illustrating the injustice worked out by excessive tariff and the practice of selling American-made ammunition cheaper to foreign than to American trade, and show the abuses resulting from the fact that American dealers are absolutely dependent upon the pleasure of the excessively protected and favored American monopoly.

We are ready to make an affidavit that some years ago we bought of a party in Canada a large quantity of empty shotgun shells which were ordered by and sold to the Canadian parties by the above American manufacturers much cheaper than we or other American dealers could buy them at. Freight was paid on these goods to Canada; the expenses of having a man on the Canadian border to intercept these goods were paid; return freight to New York was paid; and the goods were sent back to us in New York City. The Canadian parties who ordered the goods made a commission, and yet we landed these goods back in New York at a net cost considerably less than we or other American dealers could buy them at from the discriminating American manufacturers. We believe the same thing could be engineered to-day.

We have never given publicity to the above before, but business, economic, or tariff conditions, which will make such tactics possible, are unhealthy and unjustifiable. Another incident is of a more recent date and concerns our firm vitally. We have been the pioneers in many of the more important improvements in shotgun ammunition, and were one of the first to load shotgun ammunition for the trade in larger quantities. As soon as our business had increased to decent proportions, the American manufacturers took up the loading of shotgun ammunition themselves. By simply increasing the cost of the empty shells and wads, necessary for making loaded ammunition, the business of outside loaders has been choked off most effectually.

In order not to lose our identity and individuality entirely we have continued pushing certain trade-marked brands of shells. The business in these trade-marked shells represents many years of hard work and many thousands of dollars worth of advertising on our part. Last year the cartridge trust refused to further make our trade-marked goods, which action placed us in a position to either abandon the business built up by us during twenty-five years of active business work or to have trade-marked goods made up in Europe, pay the excessive protective duty, and sell them here at cost in order to keep our specialties alive. We chose the latter, which, owing to a duty of 45 per cent on empty shotgun shells and heavy freight on account of goods being bulky, has proved a losing venture. This year the American makers—probably afraid of the action of the Government in investigating “trusts”—have again accepted our orders for our special goods, in order, as they say, to stop the importation of goods for this market.

We also wish to go on record that the duties on shotguns, rifles, and pistols are excessive. Most of these goods are sold cheaper to European customers than they are here. These goods, owing to better machinery, are being made as cheaply here as abroad, as many thousands of American-made rifles, etc., are successfully sold in Europe in competition with European-made arms, while competition with European goods here is extremely difficult. Much less revenue has been received by the Government during the last few years from duties on above goods than formerly, when the duties were not so excessive.

Hoping that the above will receive due consideration by your committee and assuring you that we shall be pleased to furnish you any further information your committee may ask for, we are,

Respectfully, yours,

VON LENGERKE & DETMOLD.

THE UNION METALLIC CARTRIDGE COMPANY, BRIDGEPORT, CONN., STATES THAT THERE IS NO MONOPOLY IN THE MANUFACTURE OF AMMUNITION.

BRIDGEPORT, CONN., *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,

House of Representatives, Washington, D. C.

DEAR SIR: Our attention has just been called to extracts from a letter addressed to your committee by Messrs. Von Lengerke & Detmold, of New York City, upon the subject of what they claim to be excessive duties on ammunition and other goods in their line of business. The said letter contains so many incorrect and exaggerated statements that we desire to at once put before your committee the following facts:

1. Messrs. Von Lengerke & Detmold is a small firm doing a retail business in firearms, ammunition, sporting goods, fishing tackle, cameras, etc. It has several foreign agencies for goods in its line and in self-interest is evidently desiring to increase its foreign connections and affiliations without regard to the effect of such desire upon a large and important American industry.

2. Present tariff duties on cartridges are not prohibitory, as shown by the yearly importation for the past five years, averaging from \$100,000 to \$150,000 per annum.

3. There is no monopoly in the manufacture or sale of American ammunition, neither is there any combination or association of manufacturers, and there has been no such association for a considerable period.

4. The Union Metallic Cartridge Company has no connection or moneyed interest whatsoever in the Winchester Repeating Arms Company, neither has it any connection or moneyed interest in any other manufactory of ammunition.

5. The Union Metallic Cartridge Company has no business relations or understandings with The Peters Cartridge Company, of Cincinnati, but, on the contrary, The Peters Cartridge Company is an active competitor and is not obliged to conform to any fixed prices and terms, but, being strictly independent, markets its product at its own prices and upon its own terms.

6. There are at the present time in this country the following manufacturers of ammunition between whom, so far as we are informed, there exist no relations other than those of active competitors:

Winchester Repeating Arms Company, New Haven, Conn.; The Peters Cartridge Company, Cincinnati, Ohio; United States Cartridge Company, Lowell, Mass.; Western Cartridge Company, East Alton, Ill.; National Cartridge Company, St. Louis, Mo.; Robin Hood Cartridge Company, Swanton, Vt.; The Union Metallic Cartridge Company, Bridgeport, Conn.

The customers of the Union Metallic Cartridge Company are not required to sign agreements of any kind or character, neither have they been for a long period. The profit to merchants on this product is arranged by The Union Metallic Cartridge Company through the payment of reasonable commissions at stated periods, this being the popular and usual method of marketing trade-marked goods of various kinds, and the only method found whereby merchants are safeguarded against ruinous local competition.

7. The statement that The Union Metallic Cartridge Company and the Winchester Repeating Arms Company turn out more ammunition than all the ammunition manufacturers of England, Germany, and France is wholly incorrect.

8. The statement that American manufacturers of ammunition employ machinery equal in efficiency to that used in other countries is doubtless true, but it is also true that labor in the United States, which enters largely into the cost of the manufacture of ammunition, is better paid by at least 100 per cent than similar labor in Europe, resulting in the production of ammunition of the highest quality, but at correspondingly greater cost.

9. Foreign ammunition is sold in Europe, South and Central America, and other countries in quantities far greater than is American ammunition, the foreign product being manufactured at a much less cost on account of cheaper materials of all kinds, especially lead, and of cheaper labor.

10. American ammunition is sold only in foreign countries where American firearms are used and where superior ammunition made expressly for them is appreciated, but invariably at much higher prices

than ammunition made in Europe. This statement is proven by the value of American ammunition exported to foreign countries not exceeding in value from 5 to 8 per cent of that sold in this country.

11. Prices of American ammunition are not excessive; neither are they unduly enhanced because of the present tariff, which fact is well known by those most familiar with the line of manufacture. We know of no other line employing so large capital and skill where actual returns are less, without considering the not infrequent injury to life and property incident to the manufacture of explosives.

12. Ammunition manufactured by The Union Metallic Cartridge Company is sold to merchants in Canada, and has been for a long period, at exactly the same prices and upon the same terms as to merchants in the United States.

13. The reference made to special brands or trade-marked shotgun shells covers an item too insignificant to mention, except to say that the entire value of these goods has for many years averaged but a few hundred dollars.

14. We respectfully submit that any reduction whatsoever in the tariff on ammunition would very seriously injure American manufacturers of this commodity, and we express the hope that no change will be suggested by your committee without full investigation of what the result would be.

Yours, respectfully,

THE UNION METALLIC CARTRIDGE COMPANY,
WILLIAM J. BRUFF, *President*.

**THE UNITED STATES CARTRIDGE COMPANY, NEW YORK CITY,
STATES THAT IT SELLS ITS GOODS INDEPENDENTLY.**

NEW YORK, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

DEAR SIR: We understand that a letter has been presented to your committee by Messrs. Von Lengerke & Detmold, of this city, to the effect that we, as manufacturers, are in some way connected with or subservient to other manufacturers in this line, or to a so-called association, and that this is one of the arguments used for a reduction in the tariff on goods in this line.

We can simply say in regard to this matter that the United States Cartridge Company sell their goods independently and at prices that in many instances are more favorable to the purchaser than those of some other manufacturers.

The cartridge industry is an important one to those interested in it, although its volume is quite insignificant in comparison with many others. However, what business is done in this country in the ammunition line has been made possible only by means of a reasonable tariff, which if reduced would certainly retard if not entirely destroy a business that has taken many years to build up.

It is our earnest hope, therefore, that your committee, in considering this subject, will not give undue importance to any of the statements made by Messrs. Von Lengerke & Detmold, which is a foreign firm, or rather is composed of Germans whose interests are profor-

eign, and who would evidently like nothing better than to see such reduction in the tariff as would enable them to import heavily in this line and become an important factor, which they are not at the present time.

Yours, truly,

UNITED STATES CARTRIDGE CO.,
U. T. HUNGERFORD, *Agent*.

THE WINCHESTER REPEATING ARMS COMPANY, NEW HAVEN,
CONN., FILES STATEMENTS RELATIVE TO AMMUNITION.

NEW HAVEN, CONN., *December 3, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: We understand that request has been made on your committee for alteration of the present tariff on cartridges, and we would respectfully request, in view of what we believe to be the fairness of the present tariff schedule, that no change be made.

The foreign manufacturer of cartridges is in a far better position than the domestic manufacturer when the price at which he may obtain labor and material is considered, and in outlining the same we would respectfully submit the following, based upon \$100 worth (factory cost) of ammunition:

This \$100 may be resolved as follows: Labor, \$20; material, \$80, including lead (33 per cent), \$26.40; powder (30 per cent), \$24; copper (17 per cent), \$13.60; sundries (20 per cent), \$16.

Of these factors the continental manufacturer pays for labor 70 per cent less than the American manufacturer, or \$6; for lead, 30 per cent less than the American manufacturer, or \$18.48; for powder, 25 per cent less than the American manufacturer, or \$18. The other factors, copper and sundries, the continental manufacturer purchases on practically the same basis as the American manufacturer, viz, copper, \$13.60; sundries, \$16, making the cost to the continental manufacturer \$72.08. To the cost to the continental manufacturer add a profit of, say, 12½ per cent, \$9.01, and the present schedule duty of 35 per cent, \$28.38, making the cost of the goods, duty paid, in New York, \$109.47. To the American manufacturer's factory cost of \$100 add a profit, as above allowed the foreign manufacturer, of 12½ per cent, making the market cost \$112.50; this gives the continental manufacturer an advantage of \$3.03 over the American manufacturer, or a little over 2¾ per cent on the present basis.

In the above the figures for labor are taken on the basis of operative labor wages in Berlin, the figures for lead from recent quotations (on this item the variation has even been far greater), for powder on the basis of black powder, with which the larger proportion of ammunition is loaded.

It might be argued that the basis is hardly fair in view of the fact that the foreign ammunition manufacturer does not take as much advantage of automatic labor-saving machinery as does the domestic manufacturer. This argument, while it might have held a few years ago will not hold to-day, and that the figures are not far incorrect is evidenced by the fact that the foreign manufacturer when he

does come into this country is pleased to sell his goods on the same or lower basis than those of the domestic manufacturer, and is apparently satisfied with the profit which he so obtains. That more of these goods of foreign manufacture do not reach this market is a matter of continual surprise to us, and were it not for the general belief that American manufactures in these lines are superior to the foreign brands, we believe that larger importations would result even under the present schedules.

Very respectfully,

WINCHESTER REPEATING ARMS Co.,
WINCHESTER BENNETT,
Second Vice-President.

**THE WINCHESTER REPEATING ARMS CO., NEW HAVEN, CONN.,
FILES ADDITIONAL STATEMENT RELATIVE TO AMMUNITION.**

NEW HAVEN, CONN., *December 3, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: OUR attention has been called to a statement by Messrs. Von Lengerke & Detmold, of New York City, filed with you, we believe, on Saturday last, November 28, and in justice to ourselves we feel that we must bring to your attention some glaring inaccuracies in that statement, which was doubtless presented as the result of purely personal consideration on the part of Messrs. Von Lengerke & Detmold, who are agents for and whose business is chiefly in the sale of foreign materials, including ammunition and guns, and who in their own advertising (see copy of their advertisement on the rear cover of the Sportsman's Review, issue of August 8, 1908, inclosed) have publicly announced that they are the sole agents in this country for Mauser guns and pistols, Mannlicher guns and pistols, Francotte, and Knockabout guns. The first two of the items above mentioned are of German manufacture; the Francotte gun being, we believe, of French manufacture, and the Knockabout an English gun. These parties have never, even as retailers, done a large business in domestic goods, in spite of the fact that they, so far as this company is concerned, have received the best prices which we accord to any.

That the tariff duties on ammunition have practically prohibited its importation we rather doubt, as to a certain extent it is imported; and where so imported comes on the market at a price lower than that of domestic manufacture. The fact that it is not largely sold in this country can be readily explained by the general belief that but little ammunition of foreign manufacture is equal in quality to the regular domestic grades.

The Winchester Repeating Arms Company manufactures and distributes its products entirely independent of any corporation, firm, or individual, and we know of no such control or collusion as the statements of Von Lengerke & Detmold would indicate. We believe there are in this country some eight factories manufacturing ammunition, four at least of which manufacture a very complete line of goods; and to the best of our knowledge these concerns are all manufacturing and marketing their goods independently of and without

other than due competitive regard to each other. The goods of these various companies are, we believe, all sold by the respective companies at more or less different prices.

While the volume of goods marketed by this company is undoubtedly large, it has recently been pretty thoroughly demonstrated that it is small indeed as compared to the output of European factories; nor is it surprising, in view of the small amount of game remaining in continental Europe, that the output of the continental factories is comparatively larger in military ammunition than in sporting ammunition.

With the statement that labor-saving machinery used in the manufacture of cartridges is nowhere better or more complete than in this country, we would willingly agree in general, although it is not always so, as is evidenced by the fact that the United States Government Arsenal at Frankford has recently gone abroad to purchase automatic machinery for loading ammunition; but the art of manufacturing ammunition is very thoroughly developed abroad, and in consequence of their cheaper labor costs (not 50 per cent of the labor cost in this country) the continental manufacturer has an advantage for which no amount of automatic machinery can entirely compensate.

That this country in some instances markets its goods in foreign countries at a lower price than they bring in this country is admitted. On the other hand, in many instances where our manufactures are fairly well known a larger price is demanded for them abroad than in this country; and where the export prices are lower than the domestic prices it can invariably be shown that it is to maintain our identity even at a loss in foreign markets, where, owing to foreign competition or unusual import duties, we would be completely shut out were we not to sacrifice our profit; and it must be borne in mind that the domestic manufacturer in preparing ammunition for foreign shipment takes advantage of the drawback customs arrangement and uses foreign lead, which, drawback being considered, can usually be purchased at 30 per cent below domestic lead.

Competition amongst American manufacturers in our lines is extremely keen, so keen that it renders it necessary that this company should not only employ a large force of salesmen and exploiters, but of necessity it must also expend large sums for advertising its product; and this condition is not peculiar to this company alone, but similar activity is noticeable among all the American manufacturers, between whom there is the stiffest and healthiest kind of competition.

As to the undue profit which it is claimed the American manufacturer has been making, it can be truthfully said that the net margin of profit so far as shot-shell ammunition is concerned has been for the past ten years less than 10 per cent; while if the whole line which they touch upon is considered (i. e., shot-shell ammunition, rifle ammunition, and arms), it can be authoritatively stated that the profits to this company for the past three years have been less than 15 per cent, and for the last year less than 10 per cent on net sales—which can not be regarded as excessive when the hazard in this line is considered. From this it will be plain to see how seriously even the slightest reduction in tariff upon these lines would affect the business of this concern at least. This concern has employed for the

past two years on an average of 5,500 people, who receive wages about double those paid abroad for similar employment.

As to the statement concerning the complainants' ability to purchase goods in Canada at prices lower than can be obtained in this country, we would state that our prices to Canadian customers are identical with those to our domestic trade, and the condition referred to, if the goods mentioned as purchased in Canada were similar in quality to those regularly on the market in this country, could not have obtained, so far as the manufactures of this company are concerned, at any rate, in the experience of the writer; nor do we believe that a similar purchase could be engineered to-day with regard to goods of any of the standard ammunition manufacturers of this country, who to the best of our knowledge and belief, like ourselves, make but one quality of their respective brands.

So far as the empty paper shot shells manufactured by this company are concerned, it can be shown that there has been no change in the price of the higher grade shells (those intended for use with heavy loads of smokeless powder) during the past six years, and the same is true of the intermediate grades (those intended for use with moderate loads of smokeless powder); while the grade of shells intended for use with black powder has not altered in price in more than eight years, notwithstanding greatly increased cost of labor and material during that period. While the complainants have not favored our company in recent years with their business in empty paper shot shells, they could have purchased such goods of our regular manufacture as they desired from this company at no greater price than we charged our other customers purchasing in similar quantity.

With regard to American arms being successfully sold in Europe in competition with European-made arms, we would call your attention to the fact that the arms manufactured by this company are marketed in Europe to but a limited extent, owing to the fact that the foreign market is flooded with lower priced arms, such as are now largely imported into this country. It is also a fact that no arms similar to those manufactured by us are made in Europe, which would undoubtedly account for our sales, as in many instances the lever-action form of repeating arm is preferred by the user to the military or so-called bolt system.

What the volume of the complainants' business in loading paper shot shells (this seems to be their chief cause for complaint) may have been we can not definitely state; but from our knowledge of the business it must have been comparatively small. This company is to-day loading over a million and a half rounds per day. That the complainants lost this business is hardly to be wondered at when it is considered that for their hand-loaded ammunition, put up in a shell identical to that regularly made by and placed upon the market by the manufacturer in loaded form—except possibly so far as the trade-mark is concerned—they attempted to obtain from \$4 to \$5 per hundred shells, while the larger regular American manufacturers placed these goods in the hands of the customer at from \$2.50 to \$2.75 per hundred. In the infancy of the shot shell loading business in this country their customers discovered that identically the same goods, loaded with the same powders with equal accuracy, and perhaps of superior finish, could be obtained from the manufacturers at from

one-half to two-thirds the price which they had been paying the complainants. Can it not be readily understood why they lost their trade, and did the condition which caused their loss of trade in any way work a hardship on the American public?

In closing, and to explain the chief cause of the complainants' position, we would again call your attention to the fact that they publicly announce that they are sole agents for a number of foreign manufacturers; and an examination of their stock would show that their other lines of goods of foreign manufacture are many and varied.

We believe it will be evident to you that the complainants' plea is not disinterested and is prompted by purely selfish motives.

Very respectfully,

WINCHESTER REPEATING ARMS Co.,
WINCHESTER BENNETT,
Second Vice-President.

EXHIBIT A.

[From Sportsmen's Review.]

Sole United States agents for the only genuine Mauser. Mauser automatic pistols, \$27.50 net. Has stood severe government test more successfully than any other self-loading arm. One hundred and twenty shots possible within one minute. Sighted to 1,000 yards, extreme range a mile. Mauser sporting rifles, 7 mm. and 8 mm., \$45 to \$50.

Sole United States agents for Francotte guns, from \$80 to \$450 net. Knock-about guns, \$60 net; with ejector, \$85 net.

United States agents: The Mannlicher Schoenauer featherweight sporting rifle, made in two calibers—6.5 m/m, 256 bore; 9 m/m, 355 bore. Price, 6.5 and 9 m/m without telescope, \$75; price, 6.5 and 9 m/m with telescope, \$125. Von Lengerke & Detmold, 349 Fifth avenue, near Thirty-fourth street, opposite the Waldorf-Astoria, New York City, N. Y.

BLASTING CAPS AND SAFETY FUSE.

[Blasting caps, paragraph 424; safety fuse, dutiable according to the component of chief value.]

BRIEF SUBMITTED BY J. FRITZ BRIND, GENERAL MANAGER OF THE INSOLOID FUSE COMPANY, DENVER, COLO.

DENVER, COLO., *November 23, 1908.*

HON. SERENO E. PAYNE, M. C.,

*Chairman of Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: We inclose herewith a brief statement showing why the duty on blasting caps should be made the same as sporting caps—30 per cent ad valorem—and safety fuse reduced from 35 and 45 per cent to 10 per cent, and hope your honorable committee will recognize the justice of our claim by making the necessary change in the proposed new tariff bill.

We may add for your information that A. H. Merritt, of the Coast Manufacturing and Supply Company, referred to in the inclosed

letter from San Francisco, is merely a figurehead, being simply an employee of the Ensign-Bickford Company, which, as stated elsewhere, controls and owns all the fuse factories in this country.

Blasting caps.

Blasting caps have a specific duty under the present tariff law (par. 424) of \$2.36 per 1,000. Triplex caps, which are mostly used in this country, can be bought in Germany for 8 marks (\$1.90) per 1,000, making the present duty thereon 125 per cent. In Denver the same grade of domestic cap is now sold by the Du Pont Powder Trust at \$5.50, nearly three times as much as the present price in Germany, because there is no foreign competition in this country.

Some time ago we imported a lot of German caps at the present high rate of duty, but as soon as we tried to market the goods the price of domestic caps was made so low that we had to sell at less than cost in order to get rid of them.

The same rate of duty should be placed on mining caps as on percussion caps used for sporting purposes—30 per cent ad valorem—so that the working miner could have the same benefit as those who go gunning for “Teddy Bears,” and to such a fair proposition no reasonable Member of Congress could possibly object.

Besides, fulminate of mercury used in the manufacture of all mining caps in this country is imported from Canada, at an ad valorem rate of 30 per cent, while the copper used in most of the caps made abroad is exported from this country, and when brought back in the shape of the manufactured article is subject to the outrageous duty of 125 per cent.

Safety fuse.

Safety fuse, with a gutta-percha covering, is admitted under paragraph 450, as manufactures of gutta-percha (that article being the component material of chief value), at 35 per cent ad valorem. Fuse, in which the chief value is cotton, is dutiable at 45 per cent under paragraph 322.

Double tape fuse, the kind generally used in this country, was for several years (before the consolidation of the four companies in California went into effect, and now controlled by the Ensign-Bickford Company, known as the “fuse trust”) shipped into various points of Colorado from San Francisco, at a net return to the manufacturer of \$1.75 per 1,000 feet, and upon which they, even then, made a profit.

The present price under the trust, at the factory, is more than double that figure, as shown by the accompanying price list of the Dupont powder trust.

Precisely the same article is shipped to Mexico from New York at \$2.75 per 1,000 feet, as per letter of Schaefer Hermanos herewith.

In our opinion, fuse can be made cheaper in this country than abroad, because of the improved machinery introduced within the last few years and the greater intelligence of the operators, although only 10 per cent of those employed can be regarded as skilled laborers, most of the work being done by automatic machinery, very much the same as is the case in watch factories, where most of the operatives are girls, getting as low as \$5 per week.

Then, again, the materials cost less than in Europe. For instance, cotton in this country is a domestic product, while in Europe it is imported.

Inasmuch, therefore, as the fuse trust is controlled and owned by the Ensign-Bickford Company, of New York, and Simsbury, Conn., and that the net profits of the combination now exceed 100 per cent, the duty on all classes of fuse should be specially provided for under the new law, and the rate of duty, if not removed altogether, should be reduced to at least 10 per cent ad valorem.

INSULOID FUSE COMPANY,
J. FRITZ BRIND.

EXHIBIT A.

[The Ensign-Bickford Company, 261 Broadway, New York City.]

SIMSBURY, CONN., May 16, 1907.

To the Customers of the Climax Fuse Company.

GENTLEMEN: The stockholders of the Climax Fuse Company having decided to dissolve that corporation, the business is to be taken over by the Ensign-Bickford Company, of Simsbury, Conn., which has purchased all the assets and good will of the Climax Fuse Company.

No change has been made in the management, and all the officers of the Climax Fuse Company are now connected with this company.

The Ensign-Bickford Company will continue to manufacture every variety of fuse hitherto made by the Climax Fuse Company.

Hoping for a continuance of your patronage,

We are, very truly,

THE ENSIGN-BICKFORD COMPANY.

Orders sent to New York office, 261 Broadway, or to Simsbury will receive prompt attention.

EXHIBIT B.

[The Ensign-Bickford Company, manufacturers of fuse, Simsbury, Conn., Hartford County. New York office, 261 Broadway. Factories, Simsbury and Avon. Ralph H. Ensign, president; Joseph R. Ensign, first vice-president; Henry S. Chapman, second vice-president; Lemuel S. Ellsworth, treasurer; Charles E. Curtiss, secretary. Directors: The officers.]

AUGUST 12, 1907.

A joint stock company organized under the general laws of Connecticut April 26, 1907, with an authorized capital of \$1,600,000, divided into 16,000 shares of \$100 each. The certificate filed gives the following names as incorporators:

	Shares.
Ralph H. Ensign, Simsbury, Conn.....	3,714
Joseph R. Ensign, Simsbury, Conn.....	1,320
Henry S. Chapman, Glen Ridge, N. J.....	2,000
Lemuel S. Ellsworth, Simsbury, Conn.....	1,600
Charles E. Curtiss, Simsbury, Conn.....	1,360
Marie Davey, trustee, Rouen, France.....	2,069
J. C. Bickford Smith, Red Brook, Cambonie, England.....	1,882
W. N. Bickford Smith, Trevarno Helstou, England.....	1,710
Albert H. Merritt, Elmhurst, Cal.....	342
Joseph R. Ensign, trustee, Simsbury, Conn.....	3

16,000

This corporation succeeds to the business which has been conducted under style Ensign, Bickford & Co. at Simsbury, Conn., the business having been established at this place in 1836 under style Toy, Bickford & Co. Mr. Toy died April 2, 1887, and the business has since been conducted by relatives who were interested in the estate, also William Bickford Smith or his heirs of Helston, England, and Robert S. Davey or his heirs, of Rouen, France.

Since incorporation the company has purchased the fuse business which has heretofore been conducted by the Climax Fuse Company, with headquarters and office in New York City and factory at Avon, Conn. A statement in detail can not be obtained. Certificate filed indicates, and the treasurer also states, that the capital stock is fully paid.

The business for many years has been regarded as one of the most successful in this vicinity, and has now been increased by the addition of the Climax Fuse Company, which company was owned and controlled by individuals who were connected with Ensign, Bickford & Co. It is claimed by the officials and fully believed by authorities that this company has capital at command and universally takes advantage of cash discounts, and the company is considered entitled to the highest credit rating on the basis of its paid-in capital.

EXHIBIT C.

BERKELEY, CAL., November 18, 1907.

Please be advised that effective immediately the following prices for fuse per 1,000 feet will apply:

Fuse.

[F. o. b. San Francisco, Cal.]

Grade.	List price.	Grade.	List price.
American Eagle	\$5.00	Bear Brand.....	\$4.30
Triple Tape	4.75	Tryme Brand.....	4.30
Victor Brand	4.50	Single Tape	3.85
Double Tape.....	4.30	Blue Label.....	3.50

DISCOUNTS.

Carloads (minimum 210 cases), 10 per cent and 7½ per cent.

Lots of 300,000 feet, 10 per cent and 5 per cent.

Lots of 90,000 feet, 10 per cent.

Lots of 30,000 feet, 7½ per cent.

Lots of 6,000 feet, 5 per cent.

Less than 6,000 feet, net.

Terms: Sixty days, less 2 per cent for cash in thirty^a days.

Yours, very truly,

E. I. DU PONT DE NEMOURS POWDER Co.

^a Now ten days.

EXHIBIT D.

SAN FRANCISCO, August 14, 1907.

MR. THEO. G. SMITH,
*Cashier, The First National Bank of Denver,
 Denver, Colo.*

DEAR SIR: We have received your favor of the 8th instant asking us for information regarding the C. M. & S. Co. We are informed that this company is a manufacturer of fuse, and the president is Mr. A. H. Merritt and the secretary Robert McGill. The works are located at Berkeley, Alameda County, this State. The company was formed by a consolidation of the following fuse companies, namely, Ensign-Bickford Company, California Fuse Company, Western Fuse Company, and the Metropolitan Fuse Company, the last three being California corporations. We are also informed that the rating of this concern is very high and that any contracts entered into by them would be fully carried out, and amongst the stockholders of this company are some of the most prominent stockholders of E. I. du Pont de Nemours Powder Company. Altogether the concern is very highly spoken of, and we have not heard of any reason why the above facts should not be approximately correct.

In case you wish us to get any further information of this company, kindly inform us and we will be only too glad to go into the matter further.

Yours, truly,

E. L. JACOBS, *Assistant Cashier,
 Wells Fargo Nevada National Bank of San Francisco.*

EXHIBIT E.

PARRAL, July 7, 1908.

THE INSOLOID FUSE Co. (LTD.),
Denver, Colo.

GENTLEMEN: We refer to your favor of the 4th instant. At the present time—that is, rather dull—we are using about 25 boxes monthly, and we are handling only one grade—D. F. Climax fuse. As soon as the mines resume operations, we expect to handle considerable more fuse; and as the money scare seems to be over in the States, we expect better times in the near future.

The D. F. Climax fuse we are purchasing at \$2.75 United States currency, by 1,000 feet f. o. b. New York, and with freight and duties the case of 6,000 feet costs f. o. b. Parral \$39.70; gross weight per case 118 to 120 pounds. Net weight, 97 to 99 pounds.

Kindly quote us on the different brands you handle and send us by express or mail a roll or half roll of each brand, duly marked, so we can make a test of each one.

We believe that if you place some attractive figures before us, and your fuse gives good satisfaction, we will build a fair trade between us. You may quote us, if convenient to you, in sixty days' time or immediate remittance on receipt of the goods.

Awaiting your advice we remain,

Yours, very truly,

SCHAEFER BROS.

GERMANIA IMPORTING COMPANY, OF NEW YORK CITY, RECOMMENDS DUTY OF TEN PER CENT ON SAFETY FUSE.

NEW YORK, *December 1, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: We are importers of safety mining fuse made in Germany. This article has no special classification in the present tariff, but the duty on the various kinds of mining fuse is assessed now as on manufactures of cotton 45 per cent, or on manufactures of hemp 45 per cent, or on manufactures of gutta-percha 35 per cent.

This article is used by nearly every individual miner in the United States and paid for out of his own pocket.

Mining fuse is manufactured in the United States in four factories, which are all owned or controlled by one concern, the Ensign Bickford Company, of Connecticut, in conjunction with the firm of E. I. Du Pont De Nemours Powder Company, of Wilmington, Del., the so-called "powder trust."

Mining fuse is manufactured by special automatic machinery and requires very little, if any, skilled labor. Most articles composing it, like cotton yarn and tar, are products of the United States, and are as cheap here as in England and Germany.

The manufacture of mining fuse at prices which the individual miners at present have to pay yields extremely large profits, far in excess of average legitimate manufacturing profits. The manufacturers of mining fuse sell such fuse for export to Canada and Mexico at prices much below the prices which they exact in the United States.

In view of the above statements, we respectfully ask your committee to place the various kinds of safety mining fuse, to wit, hemp fuse, cotton fuse, single-taped fuse, double-taped fuse, triple-taped fuse, and gutta-percha fuse, under a special classification subject to a duty of 10 per cent ad valorem.

Yours, very respectfully,

GERMANIA IMPORTING Co.,
GEO. STABER, *President.*

J. H. LAU & CO., NEW YORK CITY, ASK FOR LOWER DUTIES ON SAFETY FUSE AND BLASTING CAPS.

NEW YORK, *December 2, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR: We are importers of safety mining fuse and blasting caps made in Germany and in other countries. Safety mining fuse has no special classification in the present tariff, but the various kinds are assessed now as on manufactures of cotton, 45 per cent; manufactures of hemp, 45 per cent; or manufactures of gutta-percha, 35 per cent. This article is used by nearly every individual miner in the United States and paid for out of his own pocket. Mining fuse

is manufactured in the United States in four factories, which are owned and controlled by one concern, the E. I. du Pont de Nemours Powder Company, of Wilmington, Del., the so-called "powder trust."

This fuse is manufactured by special machinery and requires very little if any skilled labor, and besides most articles composing it, like cotton yarn and tar, are products of the United States and are as cheap here as in England or Germany. The manufacture of mining fuse at prices which the individual miners at present have to pay yields extremely large profits, far in excess of the average legitimate manufacturing profits.

The manufacturers of mining fuse in the United States sell such fuse for export to Canada and Mexico at prices much below the prices they are asking in the United States. In view of the above facts, we respectfully ask your committee to place the various kinds of safety mining fuse, hemp, cotton, single tape, double tape, triple tape, and gutta-percha fuse in a special classification, subject to a duty of 10 per cent ad valorem.

With regards to blasting caps, the duty we are now paying under the present tariff is \$2.36 per thousand, or virtually 125 per cent ad valorem. These caps are manufactured in this country by two factories, both of which are controlled by the E. I. du Pont de Nemours Powder Company, of Wilmington, Del., the so-called "powder trust," as stated before, and we respectfully ask you to place them on the same footing as ordinary percussion caps, i. e., a rate of duty of 30 per cent ad valorem.

Yours, respectfully,

J. H. LAU & Co.

**THE NATIONAL FUSE AND POWDER CO., DENVER, COLO., ASKS
MAINTENANCE OF PRESENT DUTIES ON SAFETY FUSE.**

DENVER, COLO., *January 10, 1909.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: Under the present tariff schedule, there being no separately classified duty on fuse, it is possible for foreign fuse manufacturers to secure a duty on fuse which varies from 30 per cent to 45 per cent ad valorem, under paragraphs 347, 349, and 350, according to the component material of chief value used in its manufacture, which arrangement is used as a basis for securing a low duty on fuse.

We maintain that for the proper protection of the American fuse industry and to place the American manufacturers on an even footing with foreign manufacturers who export to the United States, first, that there should be a separately classified duty on fuse; second, that this duty should not be less than 45 per cent ad valorem.

MATERIALS.

Practically all the different materials used in the manufacture of American-made fuse are the products of American labor.

Practically all the different materials used in the manufacture of foreign-made fuse are the products of foreign labor.

We offer the following comparisons of the prices of material prevailing in the United States and the extremely low prices of material prevailing in Europe:

	Prices in Europe.	Prices in United States.
Jute yarn	6 $\frac{1}{2}$ cents per pound	8 cents per pound.
Cotton yarn.....	16 $\frac{1}{2}$ cents per pound.....	18 cents per pound.
Cotton cloth. (Unable to get quotations of similar quality.)		
Asphalt.....	\$31.40 per ton.....	\$23 per ton.
Sheet gutta-percha.....	38 cents per pound.....	50 cents per pound.
Glue.....	3 $\frac{1}{2}$ cents per pound.....	10 cents per pound.
China clay.....	\$6.50 per ton.....	\$15.50 per ton.
Whiting.....	\$6.20 per ton.....	\$9.40 per ton.
Paper.....	3 $\frac{1}{2}$ cents per pound.....	4 $\frac{1}{2}$ cents per pound.
Coal.....	\$4.50 per ton.....	\$4.65 per ton.
Powder.....	8.93 cents per pound.....	17.10 cents per pound.

LABOR.

Below we submit the following figures, showing the relative cost of labor prevailing in the United States and Germany, as ascertained by our superintendent, L. J. Beemer, who spent considerable time in the largest fuse factory in the Prussian Empire:

	Per hour.
Germany:	
Males	\$0.068
Females .....	.028
United States:	
Males .....	.20
Females .....	.125

German fuse makers employ about 80 per cent females and 20 per cent males. United States fuse makers employ about 65 per cent females and 35 per cent males.

EFFECTS OF PRESENT TARIFF SCHEDULE.

The cost of material and labor in Germany makes it possible for one of the prominent German fuse manufacturers, whose competition we meet with daily, to quote their leading brand of gutta-percha fuse at \$1.91 per 1,000 feet f. o. b. vessels at foreign point of shipment. This price includes the manufacturer's profit, the freight from factory to vessel, and loading charges on vessel. This quotation of \$1.91 is but 63 per cent of our actual cost of manufacture, not taking into consideration the cost of placing the fuse on the market and a reasonable manufacturer's profit.

It also makes it possible for fuse importers and foreign manufacturers to sell fuse in the middle West at a price that we can not meet without quoting our fuse at actual cost.

It also makes it possible for the E. I. du Pont-De Nemours Powder Company and Giant Powder Company and J. Fitz Brind to bring German-manufactured fuse into Denver for distribution in the Middle West in such quantity as to practically equal the total sales of American-manufactured fuse sold in the Middle West.

In 1900 the National Fuse and Powder Company erected its plant at Denver, and it was equipped with fuse machinery and appliances imported from Germany under direction of L. J. Beemer, superintendent, who had previously spent considerable time in Germany in the largest fuse factory, learning the process of making gutta-percha

fuse. For five years this company manufactured, at a loss, gutta-percha fuse similar to the fuse now being imported, owing to the difference in cost of labor and material, and finally was compelled to discontinue the manufacture of gutta-percha fuse and discard all of the machinery which had been imported from Germany. The plant was then equipped with new machinery for the manufacture of taped fuses, which command a lower price on the market.

The present tariff schedule further offers the foreign manufacturer a dumping ground for their surplus product. One importer's quotations vary according to the price that can be obtained, providing that price is a trifle lower than the American manufacturer's price, thus demoralizing the market and making a reasonable profit impossible for the American manufacturer.

PROFITS OF BUSINESS.

Possibly the best proof we can offer to substantiate the above statements is the following fact:

That the National Fuse and Powder Company, meeting, as it does, the severe competition of foreign manufactured fuse, has shown quite a loss for the ten years it has been in existence, regardless of the fact that the plant of this company is modern in every way, with the latest and most modern equipment, and with the production of a fuse equal in quality with the foreign-made product.

We feel that to give a fair opportunity to American manufacturers and labor interests the duty should not be reduced, but that fuse should be given a separate classification and be placed upon the list at 45 per cent ad valorem.

Respectfully submitted.

THE NATIONAL FUSE AND POWDER CO.

THE ENSIGN-BICKFORD COMPANY, OF SIMSBURY, CONN., FILES BRIEF ADVOCATING RETENTION OF THE PRESENT CLASSIFICATION OF SAFETY FUSE.

SIMSBURY, CONN., *January 12, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under the tariff schedule of 1897 fuse is not separately classified, and the rule for all fuses, except what is known as gutta-percha fuse, has been to class them under paragraph 347, manufactures of which the component material of chief value is hemp or other vegetable fiber, by which the duty is 45 per cent. This lack of separate classification has led to constant confusion as to the proper section under which duty should be levied and an effort on the part of the importers to have it classified under sections carrying less duty. They have convinced the custom-house that gutta-percha fuse should be classified under paragraph 450, the manufactures of which the component material of chief value is gutta-percha, thus taking the duty of 35 per cent. Recently they have secured a decision admitting gutta-percha fuse under paragraph 449, taking duty of 30 per cent, as a manufacture whose component material of chief value is india rubber.

Gutta-percha fuse is made in Europe in a variety of ways, using more or less gutta-percha, so that one classification or another may be applicable, according to the method of manufacture. We know of one prominent brand made there in which the component material of chief value by a large margin is cotton yarn. Furthermore, Bolas, a high chemical authority, says that balata is "only a better quality of gutta-percha, having identical chemical composition," and yet under the above Treasury decision it is used as a basis for securing a less duty on fuse. It is very desirable to end this indefiniteness and confusion by giving fuse a separate classification, applying the same rate of duty to all varieties.

MATERIALS.

The principal materials used in the manufacture of safety fuse with the present prices for same in Europe and the United States are as follows:

	Prices in Europe.	Prices in United States.
Jute yarn.....	6½ cents per pound.....	8 cents per pound.
Cotton yarn.....	16½ cents per pound.....	18 cents per pound.
Cotton cloth ^a		
Asphalt.....	\$31.40 per ton.....	\$23 per ton.
Sheet gutta-percha.....	38 cents per pound.....	50 cents per pound.
Glue.....	3½ cents per pound.....	10 cents per pound.
China clay.....	\$6.50 per ton.....	\$15.50 per ton.
Whiting.....	\$6.20 per ton.....	\$10.40 per ton.
Paper.....	3½ cents per pound.....	4½ cents per pound.
Coal.....	\$4.50 per ton.....	\$4.65 per ton.
Powder.....	8.93 cents per pound.....	17.10 cents per pound.

^a Unable to get quotations of similar quality. ---

Practically all the different materials used here are the product of American labor.

LABOR.

European fuse makers employ about 20 per cent males and 80 per cent females; American, 65 per cent males and 35 per cent females. The comparison of the wages paid in the United States per day with those paid in England is as follows:

<i>United States.</i>		
Males.....	-----	Per day. \$1.60 to \$2.00
Females.....	-----	1.00 to 1.75
<i>England.</i>		
Males.....	-----	Per day. \$0.75 to \$1.00
Females.....	-----	.37

Wages in Germany are about the same or less.

The above is for ordinary labor only. Skilled labor, of which a very considerable amount is required, we are obliged to pay from \$2 to \$5 per day.

IMPORTATIONS.

Under the present tariff a large quantity of fuse is imported. Owing to the fact that the fuse is not separately classified, there is no record kept by the customs service showing the total amount of

importation of fuse. However, we give below the principal importers into this country, with the amount of importation as far as we have been able to ascertain them.

Importers.	Approximate amount of annual importation.
Insoloid Fuse Co., J. Fitz Brind, president, Denver, Colo.....	7,500,000 feet.
E. I. du Pont de Nemours Powder Co., Wilmington, Del.....	14,000,000 feet.
Giant Powder Co., San Francisco, Cal.....	Unable to get figures.
Goodall & Perkins, San Francisco, Cal.....	Considerable.
Autolyte Manufacturing Co., New York City.....	Large quantity.
Darbyshire & Evans, El Paso, Tex.....	1,000,000 or 2,000,000 feet
Burton Powder Co., Pittsburg, Pa.....	Large quantity.
J. H. Lau & Co., New York City.....	Considerable.
Germania Importing Co., New York City.....	Do.

Owing to severe competition with foreign-made fuse, and the fact that freight rates from continental ports to Denver are less than from Simsbury to Denver, we are forced at present to sell in Colorado district at prices very little, if any, above cost. Under present conditions the Germans, particularly in their shipments of gutta-percha fuse to this country, are availing themselves of a dumping ground, in very much the same way as we at times have found it convenient to do with Mexico, in order to dispose of our surplus product and keep our employees steadily at work, though the prices at which we sell there are practically without profit.

PROFITS OF BUSINESS.

The profits of the business of fuse manufacturing are moderate, the dividends of the Ensign-Bickford Company being 6 per cent per annum. The National Fuse and Powder Company, of Denver, Colo., in which this company has been interested for the last ten years, has never paid a dividend, mainly owing to severe competition from the imported article.

CONCLUSION.

In conclusion, we would call your attention to the hazardous nature of the business, which necessarily results from the handling of gunpowder. There have been numerous explosions in the history of this company and heavy loss of life. An explosion which took place three years ago cost 15 lives and a very large amount of money.

With the constantly increasing cost of materials and labor in this country, we feel that to give a fair opportunity to American manufacturers and labor interests, the duty should not be reduced. We respectfully submit the above, and ask that safety fuse of all kinds be given a separate classification and placed upon the list at 45 per cent ad valorem, as originally provided under the Dingley law.

Should it be desired to fix maximum and minimum duties on this article, we ask that the maximum be 45 per cent, as under the Dingley law, and that a minimum of not less than 40 per cent may be made, applicable only to such countries as admit this same article to their own markets at no higher rates of duty.

THE ENSIGN-BICKFORD CO.,
R. H. ENSIGN, *President.*

THE COAST MANUFACTURING AND SUPPLY COMPANY, BERKELEY, CAL., FILES BRIEF RELATIVE TO SAFETY FUSE.

BERKELEY, CAL.,
February 12, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Relative to the statements made in printed letter of J. Fritz Brind, we have to say:

1. A. H. Merritt is not an employee of the Ensign-Bickford Company, but is vice-president and general manager of the Coast Manufacturing and Supply Company, of Berkeley, Cal.

2. The Ensign-Bickford Company does not own or control all of the fuse factories in the United States. They do not own a majority of the stock of the Coast Manufacturing and Supply Company, of Berkeley, Cal., which corporation is controlled by its own board of directors.

3. As the largest manufacturers of domestic gutta-percha fuse, we deny that gutta-percha is the chief article of value in so-called gutta-percha fuse.

4. Our books will show that double-taped fuse is not the kind that is generally used in this country, but is exceeded in general use by other brands.

5. The statement that a profit was made by the several companies operating previous to the consolidation is erroneous, as all of the companies either made no profit or lost money at that time.

6. The present price list is subject to discounts and does not show on its face the true amount received or netted by the manufacturers. The consumer is supplied by jobbers, who in turn receive certain compensation for their services as distributors, which is taken care of by the discounts from the list price.

7. The price on fuse shipped to foreign countries should not be considered, as it is sold wherever possible and at whatever prices the manufacturer is able to get, owing to foreign competition, and to serve as a dumping ground for our surplus, in order to increase the output of our plants and keep our employees steadily at work.

8. The statement that fuse can be made cheaper in this country than in foreign countries is decidedly erroneous, as accompanying comparison of prices of materials and wages will show.

9. The statement that female help receive as low as \$5 per week is also erroneous and misleading, as accompanying statement will show.

10. The statement that there is now a profit of 100 per cent is also erroneous, as will be pointed out in accompanying brief.

11. We contend that it is no crime, nor does it follow that because the manufacturers of fuse have good reputations and business standing any inference should be drawn against them.

The tariff schedule of 1897 does not give separate classification for fuse, and we understand from interviews with the customs appraisers at New York City that the rule has been to apply paragraph 347 on fuses the chief component part of which is hemp or other vegetable fiber. The duty thereon is 45 per cent.

The customs officials also stated that where the chief component part of fuse is gutta-percha they apply the classification of para-

graph 450, taking a duty of 35 per cent. We have also been informed that recently there has been gutta-percha fuse admitted under paragraph 449, claiming that india rubber or balata was the article of chief value.

This method of classification has been so unsatisfactory that it has caused considerable confusion and dissatisfaction, and we have applied to the customs officials for information and relief several times. Their replies to our contentions were always that they based their appraisals on the chief article of value used in its manufacture. They also stated that an analysis was made of the gutta-percha covering on each shipment. We have been informed that it was impossible to accurately analyze vegetable compounds, and therefore do not believe that the result has been properly arrived at.

Further, we contended that the appraisers did not value the gutta-percha at a proper figure. There are a great many grades of gutta-percha, ranging in price from 7 cents to \$1.25 per pound, and the quality used by the fuse manufacturers is of the cheapest grades. We might state here that we have used carloads of the 10 cents per pound grade in connection with balata and other ingredients, and from years of experience in this line our coatings are superior to the imported article.

One grade of fuse imported is, of our knowledge, composed of a majority of cotton yarns, and, as far as we know, no particular notice was taken of that fact, the basis of duty being as others, viz, the gutta-percha covering.

MATERIALS USED IN FUSE MANUFACTURE.

We give the following comparative figures on the value of materials used in the manufacture of fuse in the United States and in Europe. These prices are as near as we are able to get at the present time, and the prices given for the United States are the actual prices we are now paying. We would also like to add that at the present time we are buying materials at a very low figure compared with the prices of these materials during the past five years.

	Prices in United States.	Prices in Europe.
Cotton yarns of different grades	16 to 20 cents per pound....	18 cents per pound.
Cotton cloths	3 $\frac{7}{8}$ to 5 cents per pound....	Not able to get comparative figures.
Jute yarns	10 $\frac{1}{2}$ to 11 cents per pound....	8 cents per pound.
California asphaltum	\$16.20 per ton	\$23 per ton.
Powder	\$0.189 per pound.....	\$0.089 per pound.
Crude gutta-percha	10 to 22 $\frac{1}{2}$ cents per pound....	No figures.
Sheet gutta-percha	50 to 22 $\frac{1}{2}$ cents per pound....	38 cents per pound.
China clay	\$15.50 per ton	\$6.50 per ton.
Glue	10 cents per pound	3 $\frac{1}{4}$ cents per pound.
Paper	6 cents per pound	Do.
Coal	\$10.25 per ton	\$4.25 per ton.
Whiting	\$20 per ton.....	\$6.20 per ton.

A glance at the above comparative prices of materials will show that American labor has its part in the difference in prices, also that several of the higher-priced materials used are properly protected by duty. An example is jute yarns. The duty on jute yarns is 35 per cent, and it is one of our chief materials in the manufacture of fuse, yet the duty on the manufactured article (fuse) made up of those materials is the same as on the material itself.

The labor question is one of the chief questions to be taken into consideration, as the difference between foreign wages and the wages paid here has a great deal to do with the high cost of production here.

EUROPEAN LABOR.

A statement made by a prominent European fuse manufacturer last October to us is our authority for the following schedule:

Superintendents and foremen	\$65.00 to \$80.00	per month.
Male operatives .....	.75 to 1.00	per day.
Female operatives .....	.24 to .37	per day.

In European fuse factories there is an average of in the neighborhood of 20 per cent males to 80 per cent females.

AMERICAN LABOR.

Superintendents and foremen	\$100.00 to \$175.00	per month.
Machinists	2.75 to 4.10	per day.
Operatives, male	1.35 to 2.50	per day.
Operatives, female	1.35 to 1.75	per day.

In our plants the average help employed is 72 per cent males and 28 per cent females.

IMPORTATION OF FOREIGN FUSE.

We have no source of information whereby we can give an estimate of the amount imported. Application to the customs officials gives no relief as no record seems to be kept, and also from the fact that fuse is brought into this country at so many different ports of entry.

COMPETITION BY FOREIGN FUSE.

We are constantly harrassed by the competition of foreign fuse in several localities, particularly in Colorado, Utah, Arizona, Nevada, California, Oregon, Idaho, and Montana. This competition has made itself felt in our sales and reduced our profits to a ridiculously small margin. In order to hold our trade, especially in Colorado, we have been forced to sell at almost cost. Particularly in Colorado, for the reason that the freight rates from Europe to Denver have been less than one-half the rate from San Francisco to Denver. We believe that our efforts with the Interstate Commerce Commission have brought about some little relief, but the rate is still in favor of the European.

It is very evident that the German manufacturers are using this country as the dumping ground for their surplus output. We freely admit that we have been forced to sell our goods in foreign countries at cost price in order to keep our factories running and our labor constantly employed, whereas if we had sufficient protection in the matter of duties and freight rates to give American fuse manufacturers the benefit of all the American trade, we would find that we would be kept busy supplying our own trade and not having to sell at cost in foreign countries.

We do not hesitate to say that the profits of the fuse business is far below what is justified by the nature of the business. We are engaged in a dangerous business and are constantly in danger of explosions and unable to insure our plants against such explosions. Consequently when an explosion occurs we are forced to stand the loss out of our pockets.

In November, 1906, an explosion occurred which wrecked over half the plant. No lives were lost, fortunately, but the loss of the plant meant thousands of dollars.

Other explosions have occurred at various plants in the United States at different times, all of which were very costly, and a number of lives were lost.

The prices at which our fuse is sold are reasonable, as we desire them to be; and if we were able to sell our product at the list prices now in effect without having to meet foreign competition, our profits would be very reasonable, and the consumers are satisfied with the prices charged.

The profits of this company have been cut down during the past years from 6 per cent in former years to only 3 per cent during the year 1908, and is directly traceable to the effect of foreign competition.

In conclusion, we would direct your attention to the fact that the request for a reduction in duty comes from the class of people who make their profits by commission on handling goods and not from any complaint from the consumers that our prices are too high. These people are not employers of labor and do not buy any materials or put any money into circulation in this country, but send their money to purchase foreign goods and support cheap foreign labor in competition with American labor.

The tendency of the market during the past few years on all materials used in the manufacture of safety fuse had been to advance, and this, together with the advance in the wages of labor, brings us to believe that we should receive an adequate protection on our interests to the exclusion of foreign goods.

Particular attention is called to the fact that the fuse business is a very peculiar one, unlike any other business that we know of, in the fact that our product is bought only by a limited number of industries who use explosives, such as mines, quarries, and railroad contractors. It is not an article that can be sold indiscriminately or in any other quantities than can be used. It can not be forced on anyone by clever salesmen or pushing business tactics, but the sales are dependent on the general conditions of the country and prices of metals. A striking example is the period of financial depression through which this country has passed. During the so-called "panic" the price of copper dropped so low that nearly all of the large copper mines closed down, with the result that our business dropped off between 60 per cent and 70 per cent below normal. From this can be seen that the fuse business can stand no foreign competition and live. If the duty should be lowered, it would be but a matter of a short time before all the fuse plants in the United States would be closed down and go out of business.

We believe that the best interests of all concerned would be subserved by giving fuse a separate classification, and instead of reducing the duty to make a specific duty of \$1 per 1,000 feet on all kinds and grades of fuse.

We believe that a specific duty is the proper method of handling the matter, as with the low cost in Germany on an ad valorem basis, it gives a chance for juggling with invoices.

We submit the above facts and explanations to your committee with a belief that you will, after going over the matter, accept the facts as outlined by the manufacturers of the products in question and give the relief asked for, to protect an American industry and American labor.

Respectfully submitted.

COAST MANUFACTURING AND SUPPLY COMPANY.

FEATHERS AND FLOWERS.

[Paragraph 425.]

STATEMENT MADE BY JACOB DE JONG, REPRESENTING THE NEW YORK FLOWER AND FEATHER COMPANY, OF 207 WOOSTER STREET, NEW YORK CITY.

SATURDAY, *November 28, 1908.*

Mr. DE JONG. Mr. Chairman and gentlemen, the industry which we represent is one that is peculiarly subject to tariff provisions; and it is hardly possible for us to put the matter before you in an intelligent manner with a view to your acting upon it in the short time that we are allowed.

Artificial flowers and fancy feathers represent an industry of about \$20,000,000. They are imported to the extent of over \$6,300,000. The duty paid upon them is over \$3,000,000. The advance we ask you to place upon this article is from 50 to 70 per cent. We can prove to you that this will increase the revenues of the Government over \$1,000,000—enough to pay the salaries of this committee, including their overtime.

The industry that we represent, Mr. Chairman, is particularly adapted to an increase in the tariff, because it is an article of luxury, and the wages paid in this country as compared with those in Europe are double. The materials used in the industry pay an average duty of 50 per cent. Under the operation of the present bill, under which we labor, the importations have increased from \$2,800,000 to \$6,400,000. And this, in spite of the energy, enterprise, courage, and determination of the domestic manufacturers to create an American industry which is entirely new in this country, and requires great skill and dexterity. We must train a new force of laborers in the United States and make them perfect in a class of industry in which for generations past the workers of Europe have been trained to a degree of perfection that makes American competition almost impossible.

But in spite of these facts we are to-day producing nearly 50 per cent of the artificial flowers and fancy feathers of the United States. The manufacturers work on a very small basis, and only the fact that we have a high tariff makes it possible to compete with foreign manu-

facturers on this article. A high tariff makes it possible to pay the American laborers, chiefly girls, an average of from \$8 to \$9 a week in an industry that does not take away one single hand from any other industry in the United States.

We therefore ask you to fairly consider the question of artificial flowers and feathers. And if my time is to be limited, in order to present the case properly before your committee I am willing to appear again Monday week if you think it is necessary.

The CHAIRMAN. No; we do not think it is necessary. File a brief.

Mr. DE JONG. We will also file a brief; and we would ask you, in considering that we ask for something which may seem to you extreme as far as a tariff for protection is concerned, to bear in mind the fact that we labor under greater difficulties than any other industry of this character. I wish to impress upon you the fact that the tariff existing in Europe between continental countries, where the tariff is only for revenue, is larger than the tariff placed upon the same articles that are imported into the United States.

FRANK A. HALL, NEW YORK CITY, THINKS DUTY ON CRUDE FEATHERS AND DOWN SHOULD BE REMOVED.

NEW YORK, *November 30, 1908.*

Hon. S. E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: As a wholesale manufacturer of feather pillows, I would like to call the attention of your committee to the present duty of 15 per cent on crude feathers and down. To enable the manufacturers of the Eastern States to compete with the western manufacturers, this duty should be removed.

The source of supply in this country of feathers for use in pillows is the Middle States. The pillow manufacturers situated there are able to get their raw material direct from the farms, and so save all commissions, middlemen's profits, and freight charges. The eastern manufacturer has to pay a collector for gathering the feathers, also freight to the East, thereby being put to a great disadvantage, and the present duty of 15 per cent makes foreign feathers prohibitive. The removal of this duty would not affect the western manufacturer on account of the advantages he now has of situation and the saving of freight and commissions. Neither are there enough feathers of the higher grades produced in this country to meet the demand; the result being high prices.

Many of the foreign grades are not and can not be duplicated in this country on account of the difference in the birds producing the feathers and the difference in climate where the birds are raised. China, Japan, and Siberia export large quantities of feathers and down that are peculiar to those countries alone and can not be duplicated elsewhere.

I trust that you will give this matter your consideration, and would be pleased to give any further information or send any samples that you may desire.

Yours, very truly,

FRANK A. HALL.

**PHILADELPHIA MANUFACTURERS OF ARTIFICIAL FLOWERS AND
FANCY FEATHERS ASK AN INCREASE OF DUTY.**

PHILADELPHIA, PA., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the Associated Manufacturers of Artificial Flowers and Fancy Feathers of the City of Philadelphia, ask for an increase in import duty on said artificial flowers and fancy feathers for many reasons:

I. The European manufacturer can at the present time operate more cheaply than the American manufacturer.

(A) Because the scale of wages in Europe is much lower. (a) It is in proportion to dollars to marks. (b) A comparison of wages between France, Germany, and Austria, and the United States is in favor of the former countries. (aa) This comparison may be applied not only to hands, but also to rents and general running expenses with the same result. (c) There has been a steady increase in the scale of wages in the United States in all lines. With the first return of increased activity this will operate still further, meaning an increase in the cost of manufacturing domestic goods.

(B) (a) The foreign manufacturer can specialize. He either makes flowers or feathers, not both. He gets his orders far in advance of the domestic maker and fills in his dull season with orders for the United States. This enables him to operate his plant the whole year to full capacity, giving steady employment. (b) On the other hand the domestic manufacturer must make both flowers and feathers to keep his plant running or remain idle part of the time at the risk of losing his organization.

(C) The price of the domestic article is governed largely by the price of the imported and by the stock of the imported goods on the market (bought long before the domestic manufacturer gets his orders). Even with a 50 per cent duty the foreign manufacturer is able to successfully undersell the domestic manufacturer in a good many cases; hence the latter is forced to sell his product at a very close margin. Then, why lower the duty and make it still easier for the foreign manufacturer? Why not raise the duty and make it easier for the domestic manufacturer?

II. There are many items which domestic manufacturers are unable now to produce at all.

(A) With a raise in duty we could make these articles.

(B) With a reduction in duty there would be many more items which could not profitably be produced.

III. The increased importation shown by statistics and the increased competition with the foreign manufacturers has driven out specialty houses in the flower line.

(A) Some years ago fruits, foliage, and some other articles were made by specialty houses.

(B) The cheap foreign manufacturers specialize in these lines and have driven these people from the business.

IV. (A) A reduction of duty would only lower prices and mean fiercer competition between the domestic manufacturers themselves, as well as between them and the foreign man. This would result in a destruction of the industry and a general lowering of the wages.

(B) If the duty on cases and cartons only were lowered it would mean a reduction of at least 6 per cent in the schedule. The American manufacturer can not afford this.

(C) That the industry at the present time does not pay exorbitant profits is shown by the fact that no one man has grown enormously wealthy in it.

V. (A) Cotton goods, silk goods, velvets, etc., used for flower manufacturing purposes pay a duty at least as heavy as the imported made flowers, and in some cases even more; hence the raw materials cost more duty than the domestic finished product received protection.

(B) Statistics show that from 1890 to 1905 the value of the product, the number of establishments, the amount of wages paid, and the number of persons employed has steadily decreased, showing that the protection given this industry is not sufficient.

(a) *Extract from Census of Manufacturers, 1905.*

[Bull. 57, p. 276, Table 84. Published by Department of Commerce and Labor.]

Year.	Number of establishments.	Capital.	Hands.	Output.
1890.....	251	\$3,081,828	6,357	\$9,078,683
1900.....	224	3,632,789	5,331	6,293,235
1905.....	213	2,567,648	4,343	5,246,822

(C) Since 1905 the domestic business has shared in the general prosperity of the country, but it has not increased in any proportion to the foreign-importation business. (a) To make a fair comparison between the two, the duty, the expense of importation (freight charges, marine insurance, etc.), and a profit should be added to the totals of merchandise imported, as shown by the custom-house entry. This brings the total sales of imported goods to over twice that of the domestic goods. (b) From the above statistics, a liberal estimate shows that all the domestic manufacturers together do not turn out more than \$5,000,000 worth of merchandise.

Year ending June 30—	Feathers, flowers, fruits, grasses, leaves.	Feathers, downs, manufactured and finished birds.	Total.
1905.....	\$2,402,539	\$1,772,380	\$4,174,919
1908.....	3,747,021	2,648,212	6,395,233

NOTE.—This refers to artificial flowers and fancy feathers, exclusive of ostrich feathers.

Goods imported, 1908	\$6,395,233.00
50 per cent duty	3,197,616.50
40 per cent expense, commissions, profit.....	2,558,073.20

Actual sales	12,550,922.70
Estimate of domestic output.....	5,000,000.00

The above shows that the imported sales amount to 150 per cent of the domestic sales.

We respectfully submit the above statement of facts and argument on behalf of The Associated Flower and Feather Manufacturers of Philadelphia.

JACOB HENLY,

*For Associated Manufacturers of Artificial Flowers
and Fancy Feathers of the City of Philadelphia.*

STATEMENT MADE BY PETER ZUCKER, OF 45 BROADWAY, NEW YORK CITY, REPRESENTING IMPORTERS OF MILLINERY FLOWERS AND FEATHERS.SATURDAY, *December 12, 1908.*

(The witness was sworn by the chairman.)

Mr. ZUCKER. I wish to call your attention to the fact that I am only an attorney, and appear for my clients.

The CHAIRMAN. Well, I suppose an attorney can tell the truth as well as anybody else.

Mr. ZUCKER. He has been known to do that, I think.

I appear on behalf of the importers—millinery importers—of the city of New York, and I will say that I speak for the eastern importers generally, for the Millinery Jobbers' Association, with headquarters at Chicago, covering, I understand, the entire western territory, and for the larger manufacturers of flowers and feathers of the city of New York.

The CHAIRMAN. What paragraph are you speaking upon?

Mr. ZUCKER. Paragraph 425. That is the only paragraph that I wish to speak upon this morning.

I have said to you that I desire leave to file a brief, which I will do as expeditiously as possible, on quite a few other paragraphs, and the reason I can not speak on that is that it will require expert testimony, and those paragraphs being matters of classification and the information not yet having been furnished me, I will have it in a few days and will send in my brief as rapidly as possible. I refer now to the latter part of paragraph 425, which fixes a duty of 50 per cent ad valorem on artificial flowers and artificial feathers—or, rather, feathers when dressed, colored, or otherwise advanced or manufactured in any manner. The reason I am addressing you as to that is that certain manufacturers of the city of New York some time ago, some few days ago, appeared and urged a change in this paragraph from 50 per cent ad valorem to, I believe, 70 per cent ad valorem. And on behalf of the associations and the people I represent I am here to oppose any increase and to suggest that we desire that the paragraph shall stand as it is. I will briefly give my reasons and my clients' reasons therefor.

The first reason is this: The manufacturers that asked for this increase are manufacturers of the very cheapest grade of flowers. Looking over the list of those who have associated themselves for this purpose I find that, as far as I can make out, about 90 per cent of this entire list are located on the east side of New York City, and are perhaps 95 per cent Greeks, Italians, and French. Whether these people are naturalized or not I do not know, but they are all foreigners, employing exclusive foreign hands to manufacture the very cheapest grades of flowers and feathers for the very cheapest hat. Of course the committee understands that the flower and feather, the artificial flower and the colored feather, is not used for the decoration of the house, or for any other purpose in the world excepting for the decoration of the hat. This enters into the hat. And there is one article in the world in which every American man is interested, and that is the hat that his wife wears; if there is any article in the world that the man, or the consumer, is interested in, it is the American hat.

When the Dingley bill was passed I think there were very few manufacturers of cheap flowers and feathers. They have increased from, I think, 25 at that time to about 200, and I think 120 are located in New York City. And as I have said, this paragraph, when it passed, enabled these people to put some capital into the manufacture of the very cheapest flowers and feathers; and it has at no time—and this is the point I am trying to get at—prevented the importation of the better grade of flowers not the slightest. And you can put 10 per cent more duty on, 20 per cent duty, 40 per cent, and even 100 per cent, and I do not believe you will prevent the importation of a single flower, and the reason is this: The style for the hat and for the decorations of the hat is set in Paris for the entire world; certainly for the United States. Take the present season of the year, as an illustration. The importers of this country have buyers now in the city of Paris to see what flowers will be needed for the trimming of the hat for the spring season about to come. Many of them have been there for two or three weeks, for a month, and some are just going. The leading milliners of the United States are also there for the purpose of seeing the general shape of the hat.

Now, the committee will understand that the milliners of the United States, the leading milliners especially—all the milliners—get their shapes from abroad. The shape is made over there, it is invented there, if I can use such a term, as well as the decoration of the hat. The milliners here follow that shape. They have not the capital, the means, nor the desire to import the decorated part of the hat, the flower and the feather. That is left to the importers, who have millions of dollars invested in capital in this trade. Now, the question might be asked me, Why can not the manufacturer of the United States prevent the importation of foreign flowers and feathers by putting an additional duty on so that those who manufacture the cheapest grade may also manufacture the better grade? and for this reason: The importer goes over there and sees what is needed for the flower, and the milliner is over there at the same time. He scarcely gets back—the importer—when the milliner here asks for the flower that is used on the hat in Paris. Now, he would not have the time, and it takes the highest skill, the very highest skill, to make some of those artificial flowers and feathers. The people over there have been trained to do it for years. That is one thing. In the next place, it takes about two months to make up the material, and so you see he would not have the time. The milliner wants that particular flower, that particular rose, or that particular pansy, and wants it immediately; and, in fact, before he leaves Paris his importer is already giving the orders to people there, anticipating, to make them up for the importer. We could not do it on that account.

And there is another reason. The average woman wants the imported flower. The flower that the manufacturer who appeared before you uses is only used on the hat that runs anywhere from \$2 to \$5. Nowhere in the United States—and if any of you are married you will know this—does the \$15 hat or the \$25 hat have anything upon it but the imported flowers. Custom demands it, the women demand it, absolutely, and unless the importer wishes to be dishonest, he has got to give what is asked for.

Now, the importer uses a large amount of capital in manufacture, and many of my clients happen to be manufacturers on a large scale as well as importers. What they can do is to employ capital in the manufacture of some of these imported flowers on repetition orders; that is to say, supposing a certain rose is imported by the importer, and he says that it is going to take in style for a period of some months. He employs high-skilled labor, knowing that he will have a large number of repetitions on this order. He will put a certain force of workmen on the manufacture of this particular rose, because he can afford to take the chances on the repetitions of the order. Even then, I am told, there is a difference in the class of workmanship, so that the finer class of milliners will not take it upon any condition, but insist upon the imported article. The point I am getting at is this: As I said before, no matter what duty you put on this article, I do not think you can keep out a flower or a feather that is wanted by the consumer; and if there is one thing in the world that comes home to every man in the United States—not the richer classes alone, but the vast middle class—it is the article of the hat. The higher duty you put on, the importer will import just the same, because the milliner, through his customers, demands it, and the consumer will simply have to pay the additional duty, and it does not go to the benefit of anybody but the Government, and the consumer will be very, very much hurt. In not the slightest degree would the east side manufacturers, or pardon me, any manufacturer who manufactures the cheapest grade of flowers, be benefited, but you keep this feather or flower out. He can not manufacture them. The consumer has demanded it, he would have to pay the additional price, and the Government would simply get the additional revenue. That is to say, it would be a useless high tariff put on.

The CHAIRMAN. What are you advocating?

Mr. ZUCKER. I am advocating to let it stand as it is—50 per cent ad valorem. We do not ask to have it reduced.

The CHAIRMAN. It is a pretty good revenue producer. The women are not obliged to buy foreign flowers or feathers, especially in such large quantities as are put on their hats now, for they are so large and have so much upon them that it is difficult to see beyond them. I think the question is largely one of revenue, and incidentally that of sufficient protection, so that our people are getting into the manufacture of them, even in the lower grades; and I think that is a good proposition.

Mr. ZUCKER. Within proper limits I am a great believer in protection myself, but if there is one article in the world where you would not get that protection—

The CHAIRMAN. There is one thing that I can not understand. I know it is true that we import the Paris styles, and have to have these foreign goods, and all that sort of thing; and yet, when I look over a convocation of women in a theater and see the various forms of head-gear used, the different decorations, and all that, it certainly can not be said that they are all made from the same pattern or style.

Mr. ZUCKER. I can explain that.

The CHAIRMAN. I made some inquiry, after we had hearings here, as to the cost of these things when they are imported, and the cost when they come to what Mr. Boutell would say, the "ultimate consumer," and I found that, while the retail trade in some branches

makes large profits, yet in the millinery business the profits seem to be exaggerated tenfold or more.

Mr. ZUCKER. There are two millinery houses in New York, makers of hats, who ask and demand and receive from the ultrarich enormous profits. But those are such exceptional cases that it does not enter into this controversy at all. The vast middle class who do not buy \$200 and \$300 hats—and that is what some of these millinery people ask, and probably make 500 per cent profit—but the vast number of milliners that I speak of now sell the moderate priced hat for \$15, \$20, and \$25. When you get away from those three prices, you are getting to a price that does not enter into this point at all, because those higher priced hats, those tremendously priced hats, are imported direct by the ultrarich, who do not go to the American milliner at all. Those hats are not made up by the American milliner, and no orders are given to them. I do not suppose that 1 per cent of the female population—2 per cent—buy anything of that kind. But it is the \$15, the \$20, and the \$25 hat upon which these flowers and feathers go; and if you put an additional duty on, you do not stop the importation of one flower or feather, not one. I assure you of that.

Mr. CLARK. If that is true, what difference does it make what the tariff is?

Mr. ZUCKER. It is the consumer who would have to pay it. If it makes no difference, why not put on 100 per cent?

Mr. CLARK. That is what I am understanding you to argue.

The CHAIRMAN. Why would not 60 per cent be better than 50 per cent? It would increase the revenue of the Government, would it not?

Mr. CLARK. But here is the way of it: It does not make any difference whether a man is a free-trade man or a high-protective man, or what he is, we have got to have revenue. You say that it does not make any difference what the tariff is on high-priced things, that they would come in anyhow.

Mr. ZUCKER. That is my opinion.

Mr. CLARK. If a woman is able to pay \$200 for a bonnet, she does not care a snap what is on the bonnet.

Mr. ZUCKER. She imports the bonnet direct; she does not buy it in this country.

Mr. CLARK. Does she not have to pay tariff on it?

Mr. ZUCKER. I am not speaking of bonnets or hats. I am speaking of flowers and feathers named in the paragraph upon which we are paying a duty of 50 per cent, and on which an increase of duty has been asked.

Mr. CLARK. Who asks for an additional tariff?

Mr. ZUCKER. Certain manufacturers of the city of New York.

Mr. CLARK. Well, they would come in, anyhow, would they not, for nobody but the rich use them?

Mr. ZUCKER. The ultra rich are not affected by this at all, but it is the poorer classes—the poorer classes who buy a \$10 hat.

Mr. CLARK. I thought you were speaking of the ultrarich.

Mr. ZUCKER. I am not speaking of them at all; you are mistaken about my argument.

Mr. CLARK. If it will make the bonnets cheaper to the common people, I am in favor of cutting the tariff down.

Mr. ZUCKER. The common people—the very poorest—will buy the \$5 hat.

Mr. CLARK. The very poorest will do nothing of the sort.

Mr. ZUCKER. Pay more?

Mr. CLARK. They pay less.

Mr. ZUCKER. Oh, no.

Mr. CLARK. The bulk of hats sold in the United States do not cost \$2.50.

Mr. ZUCKER. My dear sir—

Mr. CLARK. I do not know very much about what they wear in New York, but I know what they wear outside of New York.

Mr. ZUCKER. Very well.

Mr. CLARK. Have you any proposition to make that will cause them to be cheaper?

Mr. ZUCKER. No; we could not make them cheaper; you could not possibly make those hats cheaper. If you put any duty on it, you would not make them cheaper.

Mr. CLARK. Suppose you take the duty off?

Mr. ZUCKER. Then you could not manufacture any flowers in this country at all.

Mr. CLARK. Then you can not do anything here without the tariff. Is that it?

The CHAIRMAN. If you take the duty off, will hats cost just as much?

Mr. ZUCKER. Hats would cost just as much; yes; and that is one of the reasons—you see, I am in a peculiar position. The importers that I represent now would be glad to have free trade, but I represent a large number of manufacturers whose capital is infinitely greater than those people who appeared before you and asked for an increase. And my clients, the manufacturers, say that they think the duty is about right; it enables them to make the cheapest grade of flower for the poorer classes, which they could not do; but if you added to the duty it would not enable them to make any cheaper flowers, nor in any greater quantity. They have no idea why the increased duty should be put on; they can not see; the larger manufacturers can not see anything in it.

Mr. CLARK. Do you propose to increase the duty?

Mr. ZUCKER. Not I. I am simply appearing here because a few days ago certain manufacturers from the east side of New York—I think the greater part; I don't know just where they are—came before this committee and asked that paragraph 425, which now fixes a 50 per cent ad valorem duty, should be increased to 60 or 70 per cent; and my clients, the larger manufacturers and the importers, do not feel that that is right nor that it should be done. And it is on that point that I have been arguing—to leave it as it is.

I do not know that I shall take up any more time.

The CHAIRMAN. We will look into the matter carefully, and, so far as I am concerned, if 60 per cent would bring in any more revenue than 50 per cent, I would be inclined to vote for 60 per cent.

Mr. ZUCKER. Then, you would simply make the middle-class people pay that.

The CHAIRMAN. The only argument against it would be that the trade relations are fixed at 50 per cent, and it would have to be readjusted.

Mr. ZUCKER. Yes; there is a large stock of goods on hand, and it would make quite a difference in values.

Mr. CLARK. I understand you are an attorney, not a manufacturer. Do you really know anything about this hat and feather business itself?

Mr. ZUCKER. I don't know; you might question me to see.

Mr. CLARK. Well, take a hat that costs a woman here at retail from \$5 up to \$20. Where do the trimmings come from? Are they foreign made or American made?

Mr. ZUCKER. Take the \$5 hat; it is American made. But the moment you get over the \$10 hat, then it is foreign made.

Mr. CLARK. Everything below \$5 is American make?

Mr. ZUCKER. Not everything. Odd to say, the very cheapest stuff, the stuff that goes on a \$1.50 and a \$2 hat, also comes into New York. That is made by hand in Italy and France, and by such cheap labor that you can not keep it out. When you get to the hat which sells for from \$3 to \$5, I should say that it had American stuff in it. But when you get above \$10 to \$15 and \$20, then the statistics show that the great middle class—I do not know how to term them any other way, but I am referring to the men who get \$1,200 a year to \$5,000 a year—I think their wives buy all the way from \$15 to \$25 hats, and those are made of the foreign flowers and feathers. Those women want them themselves; they insist upon it, and we can not make them for reasons that I gave before and do not want to go over again and explain.

STATEMENT OF JULES AUGUST COLLET, OF No. 1198 PACIFIC AVENUE, BROOKLYN, N. Y., RELATIVE TO ARTIFICIAL FLOWERS AND FANCY FEATHERS.

SATURDAY, *December 12, 1908.*

(The witness was sworn by the chairman.)

Mr. COLLET. Mr. Chairman and gentlemen of the committee, I ask to be heard on behalf of the labor people of this particular industry. At first, I wish to place before you the interests of the working classes in this industry. I believe that I am qualified to do so, for the reason that I have been born and brought up in the business. I ran my father's factory from the age of 14 to 21, and from 21 I ran it myself up to a few years ago, at which time the present duty of 50 per cent drove me out of business. At that time I employed more help than any other manufacturer did in those days, or even to-day. I employed upward of 400. There is not to-day a manufacturer of artificial flowers or fancy feathers who employs that number of help. But under the duty of 50 per cent I could not keep up again, and I am an expert in the business, positively.

Mr. CLARK. Do you want more tariff put on, to hold it where it is, or do you want to take the tariff off?

Mr. COLLET. I come here to plead for more tariff, gentlemen, and to give you some truthful reasons for it.

Mr. CLARK. What are you advocating—a higher tariff?

Mr. COLLET. Yes.

Mr. HILL. As I understand it, in this and in a large number of industries of a somewhat similar character we can compete, and do com-

pete, on the lower grades. On the higher grades we can not compete, and there is no manufacturer of this and other articles in this country of the fine high grades. Now, supposing they were classified so that the duty of 50 per cent possibly was reduced below a certain amount to a smaller percentage and increased above a certain amount to a higher percentage. I would like to know what, in your judgment, would be the effect on the industry, and as to the revenue also?

Mr. COLLET. It is impossible, and I speak as an expert, to classify any flowers or fancy feathers. You can not separate them.

Mr. HILL. As a matter of fact they are classified by the fact that we make some of them here and others we can not make; so that they are classified naturally.

Mr. COLLET. I must contradict the previous speaker in regard to that.

The CHAIRMAN. Why can you not classify them?

Mr. COLLET. Impossible; and I must contradict the previous speaker.

The CHAIRMAN. Perhaps I misunderstood you, but I understood you to say that the present duty had injured your business.

Mr. COLLET. Yes.

The CHAIRMAN. The duty under the McKinley Act of 1890 was the same—50 per cent. Under the Wilson Act of 1894 it was reduced to 35 per cent, and then it was increased again by the Dingley Act to 50 per cent?

Mr. COLLET. I know; I was before you twelve years ago.

The CHAIRMAN. Then, the present duty could not have ruined your business.

Mr. COLLET. No; and I can give you many reasons for it, and make truthful statements. I was a large manufacturer and keeping mostly all imported goods. I was able to bring in manufactured goods by saving traveling expenses, railroad expenses, selling to the importers and the large jobber, at \$1.60 for a dollar's worth of foreign goods—in other words, it costs the importer \$1, and then 50 cents for freight and insurance—about \$1.60—and I tell you I was able to compete with them. In the first place, I used American ingenuity to produce my goods, and being in Brooklyn I was able to employ help in this way: During my greatest career in business I would get girls coming out of school, 14 or 15 years old, and they would give two months' free service as learners. After eight weeks they commenced to earn from 25 cents a week up to \$2 a week for eight weeks. They worked sixteen weeks before they got \$2, and so on. After that they were put on piecework; but to-day I want to say that you can not do that.

The CHAIRMAN. When was it that your business was profitable or prosperous?

Mr. COLLET. I made it a little bit prosperous during my period of nineteen years, and by working eighteen hours a day.

The CHAIRMAN. I understood you to say that some calamity had come to your business; when was that?

Mr. COLLET. That showed itself in 1899 and 1900.

The CHAIRMAN. Just after this bill was passed. Since then you have been very prosperous?

Mr. COLLET. Since that time I have been out of business, sir.

The CHAIRMAN. Out of business?

Mr. COLLET. Yes, sir.

The CHAIRMAN. What was it that struck you in 1899 and 1900? What was the matter?

Mr. COLLET. My inability to compete with the foreign grades, created by the cheap help.

THE CHAIRMAN. The duty was raised from 35 per cent in 1894 to 50 per cent in 1897, and your greatest difficulty seems to have come on with the higher duty?

Mr. COLLET. Yes, sir. I got out of business in 1900, and that took place a year or two previous to that.

The CHAIRMAN. I am afraid something else besides the tariff interfered with your business.

Mr. COLLET. No, sir.

Mr. CLARK. Did you not go out of business because you had gotten too rich to stay in it?

Mr. COLLET. No. In my career of nineteen years—my wife and myself started with a \$5 bill—but we got out of business in the neighborhood of \$30,000 of maximum money, and that in the nineteen-years' career, and having produced in this country these articles with no other money put in and with only experience and good products.

Mr. CLARK. But you made money enough to retire on, was not that it?

Mr. COLLET. If you call that retiring; yes.

Mr. CLARK. Well, I would like to have \$30,000 to retire on myself.

Mr. COLLET. But I did not come here for this purpose. I came to show you where a 70 per cent duty will not create a loss to the importer beyond the maximum of one-third of the present imports.

Mr. DALZELL. Are you in business now?

Mr. COLLET. No, sir.

Mr. DALZELL. You do not do anything at all now?

Mr. COLLET. Well, I do a little real estate business, about all a man can do after he is out of his profession.

The CHAIRMAN. You may go on and show us what you want.

Mr. COLLET. I want to show you, gentlemen, that if you place a minimum duty at 70 per cent that no more than one-third of the present imports will be manufactured by the present manufacturers, because 70 per cent is not sufficient to produce the rest. The present import value is six millions, round numbers. They had trouble in the last three years, and if you will look up the statistics the imports will show the present condition, but it ran from two millions up to six millions, round figures. If you reduce the imports one-third, or \$2,000,000, it will leave you four millions, and at 70 per cent that is \$2,800,000, which, taken from the revenue of \$3,000,000 leaves a deficit of \$200,000. Now, if you permit the domestic manufacturers to produce that \$2,000,000, maximum, worth of importations, goods costing \$1 in any part of Europe and sold at \$2 in America, and with 50 per cent duty, then there is a profit of not more than 8 or 9 per cent.

The CHAIRMAN. You referred to goods costing \$1 in any part of Europe and sold by the importer at \$2 here.

Mr. COLLET. Therefore \$2,000,000 of reduced importations would create \$4,000,000 additional home production.

The CHAIRMAN. That is true without regard to the tariff. The tariff is only 50 per cent. That would make them sell for \$1.50, and you say they sell at \$2.

Mr. COLLET. Yes; on a tariff of 50 per cent. They are sold at \$2 on the dollar invested. If you decrease the importations, which is the maximum possible under the duty of 70 per cent, you will therefore create a home production of \$4,000,000. We would consume out of that \$4,000,000 \$1,633,000 in materials. Half of those materials only are imported. All of our raw material pays a duty of from 50 to 60 per cent; hence the raw material pays more duty, and has all the time, under any tariff, than the finished product. If we manufactured this \$4,000,000 worth consumed, then half of the \$1,633,000 of manufactured product would give you a revenue at 50 per cent of \$408,250, which, in connection with the previous deficit of \$200,000, would leave a net profit of \$208,250 under present conditions.

Now, another thing: If while you are protecting the manufacturers and the workers you want revenue, let me suggest to you that in this paragraph 425, as it is written, flowers and feathers are two distinct articles, just as much as a coat and pants; one makes one and one makes the other. That is, there is not to-day a flower manufacturer who makes feathers. They are compelled to make fancy feathers, for the reason that if they did not do that they would be idle three or four months in the year. I used to close my factory three months in the year under the 50 per cent tariff, while the importers would go to the other side and place orders at the lowest possible price on that side—the foreign orders. I offered to give the importers the production of my factory, three or four hundred hands, for four months in any one year, charging nothing for myself, nothing for my wife at the head of the factory—and other help—just at the cost of materials and labor, and I could not get the orders from them. They still would go on the other side. Now, what I want to say is, that if you want to raise revenue for the Government, you will find that if you protect this manufacturer—I suggest to you that here is an article compared to diamonds—suppose you were to raise the duty on diamonds 15 or 20 per cent; they must come in. The ostrich feather is a foreign production, and it must come in. You can raise the raw material, the feathers, 20 or 30 per cent, and the lady will pay more for the feathers. It is the same kind of an argument that Mr. Littauer made before this committee a few weeks ago, where he said that the girl up in his town would buy the feather anyhow and go without lunches for a month. Now, here is a style; Dame Fashion creates something that is manufactured and supplied to our ladies, and which they desire. And on behalf of the laboring, the strictly laboring class, I want to say this, and I want to be clear in the suggestion that I make to you, that I am not in any way representing any manufacturer, or anybody else, but myself—excepting the laboring class of people generally. Your tariff has created a prosperity; there is no question about that. It has created an opportunity for labor which years ago got \$2 a week, then \$4, then \$5, and \$6, and on up.

The CHAIRMAN. I understood you to say at the outset that you had girls working at 25 cents a week to commence with, and they got up to \$2 a week. Is that true?

Mr. COLLET. Positively.

The CHAIRMAN. Do you know where else you can get labor as cheap as that?

Mr. COLLET. No, sir; excepting in Europe. Not here.

The CHAIRMAN. Can you get it in Europe?

Mr. COLLET. I understand they do.

The CHAIRMAN. Twenty-five cents a week?

Mr. COLLET. Well, no.

The CHAIRMAN. And from 25 cents a week, by diligence, they get up as high as \$2 a week.

Mr. COLLET. It takes time to make a flower maker. It is not a thing that you can pick up in five minutes. When one girl gave five or six weeks to learn, when I got out of business, and for two or three years before that, where I had to give a girl \$2 to start, where a few years before she worked two months, then dropped back to six weeks, then one month, then two weeks, and then no week at all, to start. Under the present conditions to-day, with the increase of prosperity, everybody wants more pay; the labor people want it, and they get it. Girls want more pay than they ever have been getting.

Now, the importations in 1894 were \$2,156,000. In 1905 they were \$4,000,000, in round numbers. From 1905 to 1908 they have increased to \$6,395,000. The cause of that was the foreigner keeping our manufacturers out in certain things, where our labor, our girls, would not work in the industry for what the manufacturers could afford to pay.

Mr. FORDNEY. What did you get out of the business for; because the tariff was not high enough?

Mr. COLLET. It just drove me out. In the last two years I simply made ends meet, and then I had to strain myself.

Mr. CRUMPACKER. You sold your business, didn't you?

Mr. COLLET. No; I have my tools to-day. I just closed up.

Mr. CRUMPACKER. You say you have your tools yet?

Mr. COLLET. I have them and anybody can buy them for 5 cents on the dollar.

Mr. CRUMPACKER. If you got a duty of 70 per cent on flowers and feathers, would you go back into the business again?

Mr. COLLET. It is not likely.

The CHAIRMAN. How long did it take you to accumulate that \$30,000 that you spoke of?

Mr. COLLET. I started in with a \$5 bill on the 4th of June, 1882.

The CHAIRMAN. You accumulated \$30,000 when you retired?

Mr. COLLET. I retired nineteen years afterwards.

The CHAIRMAN. Did these girls who received 25 cents a week and on up to \$2 a week have the same bank account?

Mr. COLLET. I paid my girls in Brooklyn when they came and started to work, on piecework, the same prices that they paid in New York City, the same prices that prevailed all around. I want to tell you right here that I made creations in that business that if I had gotten a patent on I would have made just the same. I made things nobody else could produce and can not produce to-day.

Mr. DALZELL. If you are not in this business now, and do not want to go back into it again, what is your interest in the tariff?

Mr. COLLET. My interest is a general interest in American prosperity.

The CHAIRMAN. Especially the laboring girls?

Mr. COLLET. Yes; and I like to see the girls well dressed, and they do dress better to-day than they did years ago. And I want to call your attention to the laboring classes—the hardships—that in any industry you couldn't employ help the whole year around in this

business, or eleven months in the year, and that is one reason why they do not like to go into it. The mothers came to my factory and told me that as I had to lay them off so long they would not go into it. It is hard for a girl to change her profession every year.

Mr. HILL. You started these girls in at no compensation at all for the first month, is that it?

Mr. COLLET. I am talking of twenty-five or twenty-eight years ago.

Mr. HILL. I understood that at the beginning you started the workers in as apprentices without pay for a certain time, then small pay for a certain time, and then subsequently they were made piece-workers.

Mr. COLLET. Yes, sir.

Mr. HILL. After the girls had learned the trade, what would they earn weekly at piecework—the average of your workers?

Mr. COLLET. After their first year they would earn from five to seven dollars a week. In the second year they would earn up to \$9 a week, and in the third year \$12.

Mr. HILL. Is this a factory product in Europe, or is it a domestic product—a home product—that is, is it called a domestic industry or a factory industry? Is it made in the homes of the people or in the factories?

Mr. COLLET. The major part is made in factories in Europe. They have small factories at different points along the railroads, making certain things.

Mr. HILL. What is the total consumption of the artificial flowers and feathers in the United States?

Mr. COLLET. The total imports will show \$12,000,000, while the manufactures are \$6,000,000—\$18,000,000 in round numbers.

Mr. HILL. Of artificial goods?

Mr. COLLET. Of artificial goods. That is at the factory price.

Mr. HILL. Do we make the fine class of these goods, and do we compete in the open market with the foreign importations upon the high-grade goods, such as would go on a \$40 or a \$50 hat?

Mr. COLLET. No, sir; we do not make them here.

Mr. HILL. Why?

Mr. COLLET. We make a trifle in this way: The milliner wants a certain flower, and the importer has not got the exact color. He comes and asks us to make the flower, and he will pay any price we ask, just the same as you would if you wanted a special decoration for your room.

Mr. HILL. Then the high-grade goods are imported and the cheaper grades of goods are manufactured here. Isn't that about the size of it?

Mr. COLLET. By our American ingenuity we have practically created a new kind of goods, something that is showy and something that requires very little labor, and there is a certain characteristic demand for these goods.

Mr. HILL. That is just what I wanted to get at. High-class goods that require a high grade of labor and an increased amount of labor are imported, while the low class of goods requiring a lower amount of labor is manufactured. Is there no way, in technical terms, by which the line can be drawn in the tariff bill?

Mr. COLLET. It is totally impossible.

Mr. HILL. I think we ought to get the revenue on what we can not manufacture.

Mr. COLLET. You make it general; you can not make it specific.

Mr. HILL. Is there any staple market price in Europe for these goods, or does each manufacturer fix the price according to his success in developing something that meets the popular taste?

Mr. COLLET. That is what it is.

Mr. HILL. There is no specific market price for these artificial goods like there is upon gloves or boots and shoes or clothing or anything of that kind; it is a fancy product which meets a fancy price or else is of no value?

Mr. COLLET. That is right. Take my brother, who is in the business to-day with 35 hands at the most; he produces in one year over 400 different styles, with only a little bit of a manufactory, and with only 35 hands at the most when they are busy. He creates over 400 different styles in one year.

The CHAIRMAN. If these goods are held past the season, they are of no value, generally speaking, are they?

Mr. COLLET. They are of value with few exceptions. They are kept in stock.

The CHAIRMAN. Why do the milliners of the country sell out their stock on hand at cost price at the end of the season?

Mr. COLLET. If you have such things as shoe laces in boxes containing grosses, and so on, they are solid goods, and they are left on the shelves. But if you have broken boxes, and the milliner has a few flowers, this and that, they are sold out cheap. The goods in stock are imported goods, and with very few exceptions are very good. The feather importer buys continually and accumulates a stock. This year he sells a certain stock, next year another, and next year another. In the course of ten years he has sold everything. As to the flowers, there is very little valuation. When the style changes, they gradually change. Once in a while they get a spurt of certain articles, and if it wasn't for that the manufacturer would not exist. There was one season when we doubled our prices on account of a very heavy demand for only six weeks, when anything could be sold, any colors, but that was only momentary. One employer would offer a girl \$6 a week, while another would say, "If you come to me I will give you twenty." But it did not last but a little while.

Mr. CRUMPACKER. How are these flowers invoiced?

Mr. COLLET. By the dozen or the gross.

Mr. CRUMPACKER. Do you not have a graduated ad valorem tax on grades where they are worth less than so much per dozen—that is, the tax would be 40 per cent—where they are worth between certain high points, and 50 per cent, and still above that?

Mr. COLLET. No, sir; because that would be most unfair. It is on its actual ad valorem. In the fine trade there are some roses costing \$6 or \$8 a dozen. There are two or three grades of roses, when they are fashionable, that can be sold to the bon ton, while in two weeks that same line of custom might purchase one of the so-called "cheap articles" of the importer. Take the forget-me-nots; they are sold for between 35 and 40 cents, imported, while I have paid as high as 60 to 75 cents to make them. But the trade might require that article. That trade might consume on the \$45 hat those 35 to 45 cent articles—

Mr. CRUMPACKER. Are artificial leaves made a specialty?

Mr. COLLET. There is in this country to-day no leaf manufacturers. The minute you create you bring the manufacturers back to the old-time specializing. That is the greatest secret of manufacture, to specialize. When I had two or three hundred help employed, on 50 per cent of that help the work would be changed three or four times a day.

BRIEF FILED BY JULES AUGUST COLLET, NEW YORK CITY, FOR THE ASSOCIATED FLOWER AND FANCY FEATHER MANUFACTURERS OF AMERICA.

NEW YORK, *December 10, 1908.*

MEMBERS OF THE COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: The manufacturers of artificial flowers and fancy feathers in the United States, representing an industry composed of over 200 manufacturers, 6,000 employees (principally females), a capital investment of \$2,000,000, respectfully petition your committee to recommend a revision of section 425 of the present tariff, pertaining to artificial flowers and fancy feathers.

Our contention is that this class of merchandise should be subject to a duty of not less than 70 per cent ad valorem, instead of 50 per cent ad valorem, for the following reasons:

First. In forming the Dingley bill there must have been some misconception as to the proper rate of duty for artificial flowers and fancy feathers in placing them under a 50 per cent ad valorem duty, when articles that are certainly of the same class and character are all subject to a 60 per cent ad valorem duty, as, for instance:

Schedule B, sections 95-96. China, crockery, earthenware, cut glass, etc.

Schedule C, section 179. Braids, laces, trimmings made wholly or in part of tinsel wire.

Schedule J, section 339. Articles of cotton, curtains, bed sets, corsets, flouncings, handkerchiefs, embroideries, trimmings.

Schedule K, section 369. Women's and children's dress goods.

Schedule K, section 370. Clothing and articles of wearing apparel.

Schedule K, section 371. Fringes, cords, nets, buttons, dress trimmings, etc.

Schedule L, section 390. Articles of silk, veilings, laces, braids, gloves, trimmings, wearing apparel, etc.

Schedule N, section 408. Trimmings and all articles made wholly or in part of beads.

Schedule N, section 434. Jewelry.

Schedule N, section 459. Pipes and smokers' articles.

As articles of luxury artificial flowers and fancy feathers should be subject to a higher rate of duty than is placed on the aforesaid articles, both for purposes of revenue and protection. Had flowers and feathers been listed at 60 per cent it would have added, during the operation of the Dingley bill, the handsome additional revenue to the Government of \$4,000,000, without in the least placing an extra burden upon the American consumer.

Second. The materials used in making artificial flowers and fancy feathers are subject to a duty of not less than 50 per cent ad valorem,

in most instances 60 per cent or more, hence the duty on materials is greater than on the manufactured article, and the materials used constitute 40 per cent of the value of the finished article.

Principal materials used are silk fabrics, silk velvets, velveteens, medium grades of cotton fabrics, dutiable as per Schedule L, paragraphs 308, 386, 387.

Third. An increase in duty on artificial flowers and fancy feathers would not reduce the Government's revenue, as the following figures will show: From June, 1894, to June, 1895, the importations of artificial flowers and fancy feathers amounted to \$2,156,557. The duty at 35 per cent produced a revenue of \$754,795. From June, 1907, to June, 1908, the importations amounted to \$6,395,233. The duty at 50 per cent produced a revenue of \$3,197,617.

An increase in duty, even though it should tend to reduce the steady increase in importations, would, on the present basis, result in an increased revenue to the Government, as following example will show:

Example in round figures.

Present importation value	\$6,000,000	
Revenue therefrom.....		\$3,000,000
Maximum possible reduction, one-third.....	2,000,000	
Amount subject to 70 per cent duty.....	4,000,000	
Revenue therefrom.....		2,800,000

Apparent deficit..... 200,000

General statement: Goods valued at \$1 abroad are sold at a cost of \$2 in America.

Two million dollars reduction in importations would create \$4,000,000 additional home production. One million six hundred and thirty-three thousand dollars of this home production would be materials.

One-half of this material is foreign and subject to minimum duty of 50 per cent, creating a revenue of..... 408,250

Net increase in revenue..... \$208,250

The \$4,000,000 increase in home production would mean an expenditure for labor amounting to \$1,100,000, which averaged at \$8 per week would furnish steady employment to at least 2,500 additional workers.

We contend the reduction in importation will not exceed 25 per cent, and that the calculation of one-third above cited is for the guidance of your committee and should be considered by you only as the extreme possibility. In evidence hereof we call attention to the statistics shown below, operating under an increase tariff from 35 to 50 per cent from 1895 to 1908, showing the increase importations of 200 per cent, as against the increase of home production of 50 per cent.

Statistics of importations taken from custom-house records.

From June 30, 1894, to June 30, 1895.....	\$2,156,557
From June 30, 1895, to June 30, 1896.....	2,711,002
From June 30, 1896, to June 30, 1897.....	2,850,825
From June 30, 1897, to June 30, 1898.....	3,022,442
From June 30, 1898, to June 30, 1899.....	2,756,080
From June 30, 1899, to June 30, 1900.....	2,297,025
From June 30, 1900, to June 30, 1901.....	2,122,746
From June 30, 1901, to June 30, 1902.....	2,940,341
From June 30, 1902, to June 30, 1903.....	2,660,255
From June 30, 1903, to June 30, 1904.....	2,590,449

From June 30, 1904, to June 30, 1905.....	\$2, 516, 730
From June 30, 1905, to June 30, 1906.....	4, 018, 352
From June 30, 1906, to June 30, 1907.....	5, 139, 083
From June 30, 1907, to June 30, 1908.....	6, 395, 235

The selling value of these importations is double the cost as here shown.

The domestic industry can not furnish exact figures, but the following is a fair estimate, computed on reliable information gathered from the manufacturers at present engaged in this industry:

Number of manufacturers.....	200
Total value of annual production (about).....	\$6, 000, 000
Number of employees.....	6, 000
Amount of wages, per week.....	\$8 to \$10
Amount of wages paid per annum.....	\$2, 300, 000
Amount of material used per annum.....	\$2, 500, 000
Amount of fixed charges.....	\$600, 000
Average profits, subject to bad accounts.....	\$600, 000

Please note imports have trebled from 1905 to 1908, due to American prosperity, which created an advance in salaries, which domestic manufacturers could not meet, thus favoring imports.

Fifth. The cost of these goods is less to the American consumer to-day, under a 50 per cent duty, than it was in 1895, under a 35 per cent duty, for this reason: The present tariff has made it possible to establish manufacturers in America able to compete with foreign manufacturers on some articles, and compelled the latter to quote the lowest possible prices to American buyers.

In order to employ their help constantly during the dull season from May till November, the foreign manufacturers accept orders from American importers at prices very much lower than they receive from buyers in their home market and on the Continent.

It is therefore self-evident that any reduction of the present tariff on artificial flowers and fancy feathers would prove destructive to the home industry, giving the foreign manufacturers control of our market, and they would then undoubtedly arbitrarily raise their prices to the American buyers.

Sixth. A higher duty would influence the placing of advance orders in America instead of Europe, thereby providing steady employment for the entire year to a greater number of workers at the present or better wages. Place a higher duty on the imported goods in this line and you will give the home industry an impetus which will result in the employment of thousands of workers at good wages in addition to those now engaged, practically creating a new working force in America, as the making of artificial flowers and fancy feathers requires skill and dexterity, as all work is by hand. The employment is clean, healthful, and artistic. The employees are mostly females, earning from \$8 to \$10 per week, working fifty-two hours per week.

Seventh. The scale of wages in this line in Europe is less than one-half the scale of the American labor.

Eighth. Rents, fixed charges, and other expenses in America are more than double those existing in this line in Europe.

Ninth. Modern methods of transportation have brought the American market in closer touch with the foreign manufacturers and rates of transportation have been reduced.

Tenth. Owing to the nature of the business, no trust or combination can control the industry. Anyone with a small capital and

knowledge of the business can start a factory. No large fortunes have been made in the home industry by any concern.

Eleventh. We particularly request that all cartons, packing cases, etc., be included in the dutiable charge, because we manufacturers must supply the same to our customers. The importers use their boxes and cases for reshipment. Fifty per cent duty on cartons and cases averages fully 7 per cent on the goods contained therein, and if given to the importer the consumer will never receive it. (The item is too small when it reaches the consumer.)

Twelfth. We leave to your consideration the effects and purchasing powers of an additional \$1,100,000 paid to wage-earners (not now paid), and also the wages paid out of \$816,250 of home products, which we, as manufacturers, must purchase if you give us 70 per cent duty. This we base on being able to produce maximum, one-third of present imports. As a further revenue, it is fair to state that as population increases so will imports proportionately.

In conclusion permit us to emphasize the fact that the artificial-flower and fancy-feather manufacturing industry in America is only partially developed. If your committee will adopt the suggestions briefly outlined herein and recommend a higher rate of duty on the imported goods in this line, you will be instrumental in developing the American industry to a high state of efficiency, thus placing same on a more equitable competitive basis with foreign manufacturers, whose great weapon of competition is free material and cheaper labor. Do this, gentlemen, and by your action you will make it impossible for the foreign manufacturers to control the American market to the detriment of the American consumer, the home industry, its present and future employees. It is a most worthy cause and one that will meet with the hearty approval of every true American.

Respectfully submitted.

THE ASSOCIATED FLOWER AND FANCY FEATHER
MANUFACTURERS OF AMERICA.

**ADDITIONAL STATEMENT OF PETER ZUCKER, OF 45 BROADWAY,
NEW YORK, RELATIVE TO MILLINERY ORNAMENTS.**

SATURDAY, *December 12, 1908.*

(The witness was previously sworn.)

Mr. HILL. Do you manufacture directly in competition upon all these lines of importations which are shown in the statement?

Mr. ZÜCKER. We do not.

Mr. HILL. Will you try to explain the difference between where competition does come into the United States and where there is no competition?

Mr. ZUCKER. I will try. I am not a manufacturer, but only an attorney; but it so happens that I am related to one of the largest importers in the United States, perhaps the largest, who is also a large manufacturer. I have been in Paris and watched the purchases, and upon one thing, before the gentleman sits down, I want to take issue with him—

Mr. HILL. But I wish you would answer my question.

Mr. ZUCKER. We can never, as I am given to understand, go into competition with Europe upon the finer grades of goods, and for this reason, and I will touch upon it again: We do not originate the stuff. That is the whole thing in a nutshell. Until we can originate the stuff and get the American milliners to take our hats, and not look to Europe, we will never be able to compete with them. That is the whole thing in a nutshell. That is an inexorable fact. We have got to import, we always will import, until you change the styles here, and originate them here.

Mr. HILL. That is, if we originated the style, and followed it. Is there a sharp distinction drawn between what we do manufacture and what we import?

Mr. ZUCKER. Absolutely. We manufacture nothing but the cheapest grades of goods, and we import the high grades. Not alone the higher grades, but the better grades, because I make a distinction between a \$200 hat and a \$2 hat.

Mr. HILL. Are there technical terms that describe those two different classes of goods, or is it simply a question of production only?

Mr. ZUCKER. It is not either one or the other, in my opinion. You take a real fine rose—it is called a rose, but I do not know exactly what name you would give it—but when that rose comes here, if we say it is going to be the style, the manufacturer who has capital will put his workmen on it, imitate it as closely as he can, because he feels that it is going to be the style, and that he can compete. But the original imported article can not be secured in any other way, and I do not think there is any way of classification.

Mr. HILL. In the importation of this rose, which may be of double value to-day, what it would be next year, or, say, last year—

Mr. ZUCKER. Next year they have no value.

Mr. HILL. How is the valuation fixed by the Board of Appraisers?

Mr. ZUCKER. Upon the cost price abroad.

Mr. HILL. Is it the cost price, or an arbitrary valuation price, according to the fashion?

Mr. ZUCKER. There is no arbitrary over there. When this gentleman stated that he had dealers over there fix arbitrary prices, he states what I regret to say—he is mistaken about it absolutely. There is not a difference of a cent. That is absolutely a fixed price.

Mr. HILL. Fluctuation in value comes with the retailer and not with the manufacturer—the wholesaler.

Mr. ZUCKER. Precisely, and the wholesaler over there has his fixed price as much as here. There isn't any difference. It is when you get to the retailer, and pay a fancy price—but that is in the extreme cases only.

Mr. HILL. Is there any way by which we can get any more revenue out of this compulsory import?

Mr. ZUCKER. If you put a compulsory revenue on it.

Mr. HILL. What would be the effect of increasing the duty, would it reduce the importations or bring us more revenue?

Mr. ZUCKER. I do not think you would decrease the importations the slightest; that is my belief.

Mr. HILL. Would it increase the importation of the cheaper grades if we reduced the duty on that classification?

Mr. ZUCKER. Do you mean reduce the 50 per cent?

Mr. HILL. Yes; on articles below a certain value.

Mr. ZUCKER. Then you would bring in the cheapest grades again.

Mr. HILL. If we increase the rate of duty, it would not decrease the high-priced importations?

Mr. TUCKER. No, sir.

Mr. CRUMPACKER. It would not protect the American manufacturer?

Mr. ZUCKER. Not at all.

Mr. CRUMPACKER. Because they do not come in competition?

Mr. ZUCKER. No.

Mr. DALZELL. If it were possible to employ two different rates of duty, one on the low class of goods and one on the high class of goods, would you not think that advisable?

Mr. ZUCKER. It would be, but it can not be done.

Mr. DALZELL. Suppose you were called upon to make a tariff after that fashion, imposing one rate of duty on the high class of goods and another on the low class, how would you do it?

Mr. ZUCKER. I say that it can not be done. I would not know how.

Mr. RANDELL. Is not an ad valorem duty different?

Mr. DALZELL. Certainly. Is there not a difference between these two grades of goods measured by their value? Is not there some point where the high class of goods begins and the low class of goods ends in value?

Mr. ZUCKER. I do not think so. I told you how they make the cheaper grades. They put on all of their cheapest labor.

The CHAIRMAN. There are hundreds of different articles that come in under this schedule. There is on an article of this value so much duty, and on another article above that so much duty; it would be impossible to go into detail.

Mr. ZUCKER. That is right.

The CHAIRMAN. Do you agree with the statement that \$20,000,000 worth of these goods are made in this country? How many do you say?

Mr. COLLET. I said \$18,000,000 worth.

Mr. ZUCKER. My clients alone have about \$26,000,000 invested in this industry. I do not know what their sales are.

Now, one of the things that I was going to say is this: I believe that 75 per cent of those engaged in manufacturing these goods in the United States do not ask for this increase. It is only the cheapest, and the smallest in capitalization; nearly all foreigners. And this gentleman here, Mr. Collet, hears what I say—those that employ the cheapest girls and pay the cheapest wages; those are the manufacturers who ask for this increase.

The CHAIRMAN. Is there an active competition amongst the manufacturers here?

Mr. ZUCKER. No; except among the cheaper grades. You take the higher grade of manufacturers, and they can only manufacture on repetition orders. For instance, a man is over there now buying for the house, and he says that a certain forget-me-not is going to be the style. He will buy that in large quantities. He sends over some of it right away to his house and he says, "I believe you can take chances on that and manufacture it." But even then we can not manufacture any great amount, because the high-grade skilled labor of Europe that has been developed perhaps for centuries, from father to son—

they are not in this country. And then we can not afford to keep these all the time, because we do not know until the repetition orders come in how much work we will have. But we take the chance and manufacture it. We can sell perhaps to certain milliners who get crowded for orders and can not get the article fast enough from Paris. We can manufacture to a certain extent. We do not enter into the competition with the cheap manufacturer—do not touch that article at all. He only makes the very cheapest article with the cheapest labor, and how it is going to even help him, to increase this duty, in spite of what he says, I can not see.

The CHAIRMAN. In your opinion, is the entire duty added to the price by the domestic manufacturers of these goods, the equivalent amount?

Mr. ZUCKER. I can not answer that exactly, because I do not think I have technical information enough. But I do not think it is; but that is only an inference on my own part.

The CHAIRMAN. Is there such a competition in this country that he can not add the whole of the duty?

Mr. ZUCKER. I can not say. I do not represent any of those cheaper manufacturers.

The CHAIRMAN. I did not mean them, but I mean the manufacturers you do represent.

Mr. ZUCKER. They add, I think, the entire duty.

The CHAIRMAN. But that is only a matter of opinion?

Mr. ZUCKER. That is only a matter of opinion.

The CHAIRMAN. You have no personal knowledge?

Mr. ZUCKER. No.

Mr. BOUTELL. Have there been any charges of undervaluation in the admission of these high-class imported flowers, feathers, and fruits?

Mr. ZUCKER. I have not heard of anything of that kind in years—not for years. I have had a friendship with Mr. Stranahan, and I have discussed that subject with him more or less, and I do not think there has been any attempt on their part at all.

Mr. FORDNEY. Where are those goods made abroad—in what country?

Mr. ZUCKER. Both Italy and France. The better grades all in Paris.

Mr. FORDNEY. By whom is the market value of these goods made; by the importer, the expert from abroad?

Mr. ZUCKER. The foreign manufacturer fixes the cost price; he sells at a certain price. Our importer takes those goods to the American consul at Paris, who issues the original invoices. On that it is done.

Mr. FORDNEY. That is only since this so-called "German trade agreement" has been adopted. Has that always been the case?

Mr. ZUCKER. I understand that to be the case. I know it has been the rule for twelve years in my personal experience.

Mr. FORDNEY. That is, fixed abroad, and not by our Board of Appraisers?

Mr. ZUCKER. They have nothing to do with it, and have not had in twelve years. My personal experience does not extend back of that.

Mr. HILL. Are these what are called "sweat-shop goods"?

Mr. ZUCKER. I would only be speaking from hearsay upon that.

Mr. HILL. I did not mean to use that in an offensive way.

Mr. ZUCKER. I can only say in regard to that that they have the cheapest girls. I do not represent them, but the higher grade of manufacturers do not do anything of that kind. They have to pay higher prices.

Mr. HILL. Where are the factories that you represent located?

Mr. ZUCKER. What I would call on the better or the west side of Broadway. I do not want to use an offensive term in regard to that, but what I mean is along Broadway, near Houston street, and along there, where the rents are higher and the character of the stores is better.

Mr. HILL. But where are the factories located that you represent?

Mr. ZUCKER. The major part of them have them right above their importing houses.

Mr. HILL. Then they are right there on Broadway?

Mr. ZUCKER. On Broadway. He will have his store on the ground floor, and his factory on the three floors above.

Mr. HILL. Who is the largest manufacturer in this line in the United States?

Mr. ZUCKER. I should say of the better grade, Mr. George Legg, of New York City. And, by the way, he personally stated to me that he did not want any increase in this duty, and looking at it from the broadest point of view, he did not ask for a decrease, because there were so much goods on hand.

Mr. HILL. Is he an importer as well as a manufacturer?

Mr. ZUCKER. An importer and a manufacturer; in fact, the majority of these people are. The people who have the largest amount of capital invested in this business are both importers and manufacturers.

Mr. HILL. As a matter of fact, they import, and if the style catches on they go to work and duplicate it here.

Mr. ZUCKER. That is all they do. They can not originate it; they do not dare to do that; they do not know what will be in vogue next season.

The CHAIRMAN. The remedy is to originate the style here?

Mr. ZUCKER. This is what we would like to do, but can not do. The reason that that trade has increased is because of the prosperity; the women buy more hats than they did before, that is all.

Mr. FORDNEY. They have more money with which to buy them?

Mr. ZUCKER. Yes; and they want better hats.

ADDITIONAL STATEMENT MADE BY JULES A. COLLET, NEW YORK CITY, RELATIVE TO ARTIFICIAL FLOWERS.

SATURDAY, December 12, 1908.

(The witness was previously sworn.)

Mr. COLLET. I wish to contradict my friend, politely, who has just sat down; but when he speaks to you as representing the importers and manufacturers, gentlemen, that is not true. That is plain English, but I can prove it. He represents simply the importers. Mr. George Legg, who he just mentioned, is the largest importer in the

United States and has been for years. Mr. Zucker, this gentleman's cousin, has been one of my biggest customers for years, a man that I have done a great deal of business with on the basis of \$1.60 to dollar goods on the other side. Now, as to the entering of goods in undervaluation: I would not like to commit myself criminally, but I can assure you that I did know of it. I had been in Europe with a friend of mine and my wife thirteen or fourteen years ago, and we purchased five or six hundred dollars' worth of goods to bring home of the small manufacturers, and it was offered to us right away as to how much it could be undervalued. That was a plain, common, everyday thing at that time. There was a charge made to the custom-house by two importers a few years ago—you gentlemen can get hold of it, and I do not want to mention any names here, because I have it from hearsay and therefore I do not want to commit myself. But when this man says that I represent the poorest manufacturers, the cheapest labor, it is not true. The class of manufacturers that he has described to you does not amount to 2 per cent of the manufacturers, very little people, who work in their homes and make little specialties of fruit or grain that this schedule covers. I will give you some names here. Who is Mr. Lavanoux? Mr. A. W. Mass & Co., one of the best manufacturers, a man who can copy anything that is imported. I will give you some names: Max Herman, of Broadway; Guerin & Lavanoux, 51 West Third street; New York Flower and Feather Company, of Wooster street; A. T. Williams, Washington place; Lehman Brothers, Broadway and Third street; A. W. Mass & Co., 3 Bond street, New York; Meuer, on Great James street; Mr. Fletcher; and David Silva, 625 Broadway.

I do represent the manufacturers. I represent a class of manufacturers that will produce \$100,000 worth of goods, and who do import \$5,000 to \$15,000 worth of goods—

The CHAIRMAN. So you stated at the outset.

Mr. COLLET. I want to say to you gentlemen that the reason why the importer only produces what he has to is because once a month he runs short of color that he uses in his factory and he can not get the imports quick enough. Now, as to the style. My own styles, created in this country, and other manufacturers' styles, have been taken by his cousin and by other importers. We can create here just as well, and the class of goods he says we can not make is the class of goods that we make the most of, as a matter of fact, the average-selling, popular goods. When he says we only make the cheapest goods in this country, when roses sell from \$1.50 a gross up to \$9 a dozen—

The CHAIRMAN. You may have three minutes more, Mr. Collet.

Mr. COLLET. I do not want to touch anything more, particularly. In conclusion, I want to say it is a very important matter, and I trust you will consider it, regardless of the \$18,000,000 worth of business here. It is more vital than many other of the largest schedules, because this has a labor-giving capacity. Take belts, for instance. Our million dollars' worth of goods may take four times as much labor as a million dollars' worth of belts. I invite any of you gentlemen to prove any of my statements in two hours' time in New York City.

SUPPLEMENTAL BRIEF OF J. A. COLLET, NEW YORK CITY, RELATIVE TO IMPORTATION OF FLOWERS AND FEATHERS.

BROOKLYN, N. Y., *December 12, 1908.*

To the WAYS AND MEANS COMMITTEE.

GENTLEMEN: Either as part of my address or as a supplement as of December 12, 1908, I desire the following statement to be printed as being part thereof. I also want to make this statement under oath, to wit:

BROOKLYN, N. Y., *December 12, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: At a meeting held yesterday afternoon of the tariff committee of the Flower and Fancy Feather Manufacturers' Association, for which I speak now, I, myself, put this question to the members present of that committee: I request each of you gentlemen to feel as if each of you were under oath before a supreme court justice, and tell me what, in your opinion, will the present imports be reduced to if 70 per cent duty is fixed on flowers and fancy feathers? Answer: Edward Lavanoux, 30 per cent; Mr. De Jong, flowers 30 per cent, feathers 20 per cent; Mr. Rascover, 20 per cent; Joseph Frey, 15 per cent; A. T. Williams, 15 per cent; Mr. Meuer, 15 per cent; Mr. Pletscher, 20 per cent.

J. A. COLLET.

JACOB DE JONG, FOR ASSOCIATED FLOWER AND FANCY FEATHER MANUFACTURERS, FILES SUPPLEMENTAL BRIEF RELATIVE TO ARTIFICIAL FLOWERS AND FEATHERS.

NEW YORK CITY, *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Supplementary to the few remarks made by me before your committee on November 28 upon the subject of artificial flowers and fancy feathers, covering section 425 of the present tariff act, I beg to submit the following memorandum:

Personally, as one of the leading manufacturers in this line and by authority of the Associated Manufacturers of America of flowers and fancy feathers, you are respectfully requested to increase the duty on artificial flowers and fancy feathers to such an extent as you may deem wise and proper.

The present duty is 50 per cent, and an increase of duty to either 60 or 70 per cent would greatly benefit the domestic industry. It is possible that under a duty of 70 per cent importations may be decreased to such an extent that might possibly reduce the revenue to the Government from this source, and believing, as I do, that the present tariff reform movement has for its object the reduction of duty on raw materials, which would naturally greatly reduce the country's revenues, it may be essential to only increase the tariff on articles of luxury such as ours only to such an extent as would tend to produce greater revenue, in order to offset the losses caused by articles being placed upon the free list, due consideration being

given to the fact that the Government at the present time is facing a large deficit.

If my reasoning in this respect is right and coincides with the opinions entertained by your committee, it is but natural and dutiful that any action taken must be in accordance with these facts.

The present importations in round figures amount to about \$6,300,000 per annum, providing a revenue of about \$3,150,000. Being thoroughly familiar with this subject, I am firmly convinced, as the future no doubt will prove, that a duty of 60 per cent may have the effect of checking the steady increase of importations in the future, but at the same time maintaining importations on the present basis, this would cause an increase in revenue of at least \$600,000 per year, and I believe that under a duty of 70 per cent there may possibly be a slight increase in revenue, but I am not sure about this point, therefore if one of the objects of your committee in framing the new tariff laws is to increase the duty on articles of luxury, in order to bring a greater revenue to the Government, and at the same time give ample protection to the home industry, I must confess that 60 per cent is the proper tariff on this class of goods, from every sensible, patriotic, and business view.

It may be stated right here that artificial flowers and fancy feathers should have been classified under a 60 per cent tariff in the present Dingley bill. Why this class of goods was placed at 50 per cent, when all other articles of this character, such as laces, braids, trimmings of every description, flounces, etc., are 60 per cent I can not understand, particularly as everything used in the trimming of a lady's hat, with the exception of artificial flowers and fancy feathers, pays 60 per cent at present; this, although your committee may not be experienced in the millinery line, must surely appear to you as an inconsistency, especially so when you bear in mind that had flowers and feathers been placed under a 60 per cent duty in the Dingley bill, it would have greatly helped the development of our home production, and at the same time provided an additional \$4,000,000 to the revenue.

A duty of 60 per cent on artificial flowers and fancy feathers would give a wonderful impetus to our home industry. The manufacturers are satisfied to supply the gradual increased demand in this line. It is undeniable that this class of goods will always be imported to a certain extent, at least so long as American women insist upon getting the imported article, even though the domestic product may be superior. If they are willing to pay higher prices, simply because the article is imported, then by all means let the Government have the benefit.

The domestic manufacturers are gradually developing the home production, and have already made the domestic industry important enough to compete with foreign manufacturers to such an extent as to keep down arbitrary prices, formerly dictated by foreign producers.

Were it not for the fact that the domestic manufacturer is obliged to pay an average duty of nearly 50 per cent on most of the material he uses, and for the further fact that labor in this line here receives more than double the same labor in Europe, and also the greater expenses of rent and other fixed charges, the American manufacturer would need no protection whatever. Bearing in mind the differentiation between cost of materials, labor, rents, etc., a duty of 60 per cent only partly equalizes the cost of manufacture here with abroad. Were we to endeavor to fix a perfect equalization, it appears

that a duty of not less than 80 per cent would be necessary. There are other numerous reasons which appeal to your committee for advancing the duty on this class of goods, but they are somewhat intricate and technical, requiring the production of statistics and a more lengthy and complicated argument; for instance, the fact that the proportion of cost for landing this class of goods under a duty of 70-60-50 per cent would be as follows:

The article which would cost 17 cents to lay down here under a 50 per cent duty would cost 18 cents under a 60 per cent duty and 21 cents under a 70 per cent duty. You will thus notice that the increased cost of landing, between 50 per cent and 60 per cent, is not large enough to cause any great disturbance in importations but would still prove of great benefit to the domestic producer. While it is but natural that a duty of 70 per cent would be of immense benefit to the domestic manufacturers, we as manufacturers do not wish to appear before your committee as suppliants, asking Government aid for the boosting of our industry, but are quite willing to leave this matter open to your best judgment.

In conclusion, permit me to thank your committee and its secretary for the many courtesies and kindnesses shown to me. Knowing that your committee is endeavoring to conscientiously perform a great and difficult task, I trust your efforts will be crowned with success, and that the new tariff measure will meet with the approval of the country at large.

Respectfully submitted.

JACOB DE JONG,
*Representing the Associated Flower and Fancy
Feather Manufacturers of America.*

THE NEW YORK IMPORTERS AND MANUFACTURERS OF ARTIFICIAL FLOWERS AND FEATHERS FILE BRIEF.

NEW YORK CITY, *December 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The New York importers and manufacturers of artificial flowers and fancy feathers petition the Ways and Means Committee to make no change in paragraph 425, relating to the duty on artificial flowers, which is now 50 per cent ad valorem.

There is no disposition on the part of the trade either to have the duty reduced or increased. It deems it advisable, under present conditions, to let well enough alone. These importers are likewise manufacturers, some of them being the largest manufacturers of American artificial flowers in this country, in which more capital is invested than in very many of the smaller plants combined, and, therefore, are equally, if not more desirous for the protection of their industry as are all the other manufacturers who are appealing for an increase of duty on this commodity. These importers and manufacturers whose sales rooms are on the ground floor of the expensive buildings located on Broadway, from Houston street north to Astor place, and on Fifth avenue, from Fourteenth street to Twenty-third street, and in the new palatial business buildings on

the side streets adjacent to Fifth avenue, employ thousands of men, women, and girls. Their factories are in the best sanitary condition and are located above the stores in which the goods are shown and offered for sale. They comply with every requirement of the factory law of the State of New York, and expend a great amount of money for the comfort and convenience of their employees. Hence no class of manufacturers can be more deeply interested in protection than these importers and manufacturers of flowers and feathers.

In this connection it may be stated for the information of the committee, that it is an impossibility for the American manufacturer to produce the cheaper lines of goods that are classed as artificial flowers and fancy feathers. Especially is this true of what are termed "small flowers," because foreign manufacturers have trained help making these goods from childhood. Their factories are under the strictest discipline, and produce great quantities all the year round, and they have the markets of the world to supply. Consequently, there is no dull season with them, and they are always ready to sell the merchandise which can not be produced in the American market, let the effort to do so be ever so strenuous. These goods are made by hand, produced cheaper, sold in larger quantities to American importers, and when in demand it would be impossible to produce enough merchandise of this character to supply such demand; hence the importation. When the goods are wanted, they must be delivered quickly; there will be no time to order them from the other side or to produce them in this market.

Again, the styles or patterns of these various flowers and fancy feathers originate in Paris, which is the center of fashion for the world, and after large quantities are imported, if any one or more articles or items become popular and are sold out, then, if it is possible so to do, the American manufacturers copy these articles, giving employment, as above stated, to thousands of hands. This particularly refers to the finer grade of merchandise.

There is no amount of protection that would interfere with the importation of the finer grade of goods. They must be had when wanted, and let the price be ever so high, the people will buy them. It is the consumer that pays the price, and the consumer in this instance is made up of the great middleclass of this country; and here may we be permitted to state that this merchandise is utilized in the trimming of the popular grades of women's and misses' hats? The cheaper imported articles and the cheaper manufactured article is used in trimming what are termed the "cheap" grade of hats; but the women of this country, if they are in a position financially to buy good dress hats, will want them trimmed with the best of the imported articles. Whatever fashion dictates in this particular, women will have, let the price be what it may and let their circumstances be what they may.

In regard to the growth of the number of manufacturers, we beg leave to state that before the adoption of the Dingley bill there were few manufacturers, not over 25 or 30, in the United States. Under a protective tariff of 50 per cent this industry has increased to over 200, half of that number or more being located in the city of New York. All have thrived under a 50 per cent duty, many of them owning houses and lands and considered wealthy. Before the adoption of the factory laws of the State of New York many of these manufacturers

produced their merchandise in tenement houses, not only on the east and west sides of New York, but in Brooklyn, Jersey City, and Hoboken. Since the adoption of the factory laws, however, these manufacturers have been enabled to locate their plants in the cheaper factory buildings. Some of them employ many hands. Wages, however, are not equal to that paid by the manufacturers and importers, whose business locations are on Broadway and Fifth avenue and on the side streets, as above referred to, and who employ a higher grade of help.

This question of duty on artificial flowers has practically nothing to do with the duty on hats, braids, or other millinery trimmings. It is an item in itself, dealt with exclusively by paragraph 425. It is satisfactory to the great bulk of importers and manufacturers of flowers and feathers, as well as to the jobbers or wholesale dealers, which are classed as middlemen, selling to the retail dealers. These people likewise are in accord with the importer and manufacturer in having the duty remain at 50 per cent.

There has been no one driven out of business by the importers, as stated by a manufacturer who claims to have made \$50,000 in his business since the adoption of the Dingley bill because of this tariff of 50 per cent. On the contrary, the trade has grown marvelously since this man has been out of business. Failures have been few and far between, proving that this branch of the trade is in a prosperous condition and needs no further protection than it is receiving now at the hands of the Government. The increase of this duty above 50 per cent ad valorem will naturally fall upon the consumer, without at all proving beneficial to the domestic manufacturer.

The development of this business has been mainly due to the present tariff system, and to increase it now will not only cause distress among the consumers, but will hamper and interfere with conditions in importing and manufacturing lines that will prove distressing. If the duty is lowered, the large stock on hand will necessarily be forced to be marked down and sold at a great sacrifice during the coming months. If there is any interference with the present duty on the article referred to it will upset business conditions, especially in this branch of commerce.

Respectfully submitted.

PETER ZUCKER, *Counsel,*
For New York Importers and Manufacturers of
Artificial Flowers and Feathers.

MILLINERY ORNAMENTS.

BRIEF IN BEHALF OF THE MILLINERY JOBBERS' ASSOCIATION OF THE UNITED STATES RELATIVE TO CLASSIFICATION OF MIL- LINERY ORNAMENTS.

NEW YORK CITY, *December 26, 1908.*

We desire that a paragraph should be added to the sundries schedule, which paragraph we desire should read as follows:

Hat pins and millinery ornaments of base metal, glass, paste, shell, collodion, wood, stone, or earthenware, or of which these substances, or either of them, is the component material of chief value, whether plated, polished, decorated, or otherwise ornamented, forty-five per centum ad valorem.

The purpose of this paragraph is to avoid the inconsistencies of the present administration of paragraphs 100 and 434, as related to hat pins and millinery ornaments. It would be useless to attempt to amend paragraphs 100 and 434 so as to obtain uniformity of classification and give assurance as to rates of duty which would apply to all hat pins and millinery ornaments.

Paragraph 100 reads as follows:

Glass bottles, decanters, or other vessels or articles of glass, cut, engraved, painted, colored, stained, silvered, gilded, etched, frosted, printed in any manner or otherwise ornamented, decorated, or ground (except such grinding as is necessary for filling stoppers), and any articles of which such glass is the component material of chief value, and porcelain, opal, and other blown glassware; all the foregoing, filled or unfilled, and whether their contents be dutiable or free, sixty per centum ad valorem.

Paragraph 434 reads as follows:

Articles commonly known as "jewelry," and parts thereof, finished or unfinished, not specially provided for in this act, including precious stones set, pearls set or strung, and cameos in frames, sixty per centum ad valorem.

Paragraph 100 is frequently invoked to cover millinery ornaments made of glass or paste in imitation of jet which have been polished so little that a magnifying glass is necessary to determine that it has been even touched to the polishing wheel.

Under paragraph 434 hat pins of various kinds have been assessed with dues at 60 per cent ad valorem. There is no assurance that the same hat pins will be considered jewelry twice in succession, or at two different ports at the same time; in other words, the distinction between hat pins which are jewelry and those which are not jewelry is so indefinite that it is wholly dependent upon the ideas of the different examiners at the different ports, and does not depend upon absolute facts.

Bearing in mind that millinery ornaments are of flimsy construction, and that no precious metals or stones are used in them or in the class of hat pins handled by milliners, and that they are not made nor sold by jewelers, it seems unjust to class them with the highest examples of the jeweler's art.

It is believed that the inclusion of the above proposed paragraph will eliminate a large percentage of the uncertainty which works more hardship to the importer than a high rate of duty impartially administered.

Second. We desire that a new paragraph shall be inserted in the tariff schedule, to immediately precede paragraph 409, and request that said paragraph shall read as follows:

Braids, plaits, laces, and plateaux, composed wholly or in chief value of flax, cotton, hemp, ramie, or other vegetable fiber, suitable for making or ornamenting hats, bonnets, or hoods, thirty-five per centum ad valorem.

Our reasons therefor are the following: Paragraph 409 reads as follows:

Braids, plaits, laces and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets or hoods, not bleached, dyed, colored or stained, fifteen per centum ad valorem; if bleached, dyed, colored, or stained, twenty per centum ad valorem; hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

Paragraph 339, which reads as follows:

Laces, lace window curtains, tidies, pillow shams, bed sets, insertings, flouncings, and other lace articles; handkerchiefs, napkins, wearing apparel, and other articles made wholly or in part of lace, or in imitation of lace; nets or nettings, veils and veilings, etamines, vitrages, neck ruffings, ruchings, tuckings, flutings, and quillings; embroideries and all trimmings, including braids, edgings, insertings, flouncings, galloons, gorings, and bands; wearing apparel, handkerchiefs, and other articles or fabrics embroidered in any manner by hand or machinery, whether with a letter, monogram, or otherwise; tamboured or appliquéd articles, fabrics or wearing apparel; hemstitched or tucked flouncings or skirtings, and articles made wholly or in part of ruffings, tuckings or ruchings; all of the foregoing, composed wholly or in chief value of flax, cotton, or other vegetable fiber, and not elsewhere specially provided for in this act, whether composed in part of India rubber or otherwise, sixty per centum ad valorem: *Provided*, That no wearing apparel or other article or textile fabric, when embroidered by hand or machinery, shall pay duty at a less rate than that imposed in any schedule of this act upon any embroideries of the materials of which such embroidery is composed—

covers all braids made of cotton or other vegetable fiber, but the braids in that paragraph are included under the heading "Trim-mings," while the braids which are covered by the above proposed paragraph are used chiefly in the manufacture of hats, and are similar in no respects to straw braids, and are in that sense a raw material. It would, therefore, seem that the rate of duty thereon should not be the same as that provided for trimmings and laces.

It would be impracticable to so amend paragraph 339 as to accomplish the object desired, and, as these braids are closely associated in use and appearance to the straw braids subject of paragraph 409, the above new paragraph is suggested as being the best means for accomplishing the object.

Third. We desire a slight amendment to paragraph 251, which said paragraph now reads as follows:

Orchids, palms, dracaenas, crotons and azaleas, tulips, hyacinths, narcissi, jonquils, lilies, lilies of the valley, and all other bulbs, bulbous roots, or corms, which are cultivated for their flowers, and natural flowers of all kinds, preserved or fresh, suitable for decorative purposes, twenty-five per centum ad valorem.

We desire that the paragraph be amended so as to read as follows after amendment:

Orchids, palms, dracaenas, crotons and azaleas, tulips, hyacinths, narcissi, jonquils, lilies, lilies of the valley, and all other bulbs, bulbous roots, or corms, which are cultivated for their flowers, twenty-five per centum ad valorem; and natural grasses, grains, leaves, and flowers, when colored or in any manner treated for preservation, fifteen per centum ad valorem.

This amendment covers natural flowers, leaves, etc., which have undergone simple processes only of preservation and its incidental coloring. The uses so far as the millinery trade is concerned to which these articles are put assimilate closely to those to which crude feathers are put, and it therefore follows that a low rate of duty only should be provided for.

Fourth. We desire an amendment to paragraph 386. Paragraph 386 now reads as follows:

Velvets, velvet or plush ribbons, chenilles, or other pile fabrics, cut or uncut, composed of silk, or of which silk is the component material of chief value, not specially provided for in this act, one dollar and fifty cents per pound and fifteen per centum ad valorem; plushes, composed of silk, or of which silk is the component material of chief value, one dollar per pound and fifteen per centum ad valorem; but in no case shall the foregoing articles pay a less rate of duty than fifty per centum ad valorem.

As amended, we desire that said paragraph shall read as follows:

Velvets, plushes, velvet or plush ribbons, chenilles, or other pile fabrics, cut or uncut, composed of silk, or of which silk is the component material of chief value, not specially provided for in this act, fifty per centum ad valorem.

And our reasons therefor are as follows:

The compound rate of a dollar and a half per pound and 15 per cent ad valorem was undoubtedly originally based upon a cost to produce in existence prior to 1897, and therefore does not at the present time represent a proper equivalent ad valorem rate of duty. A rate per pound assessed on goods bought and sold per yard is never equitable, and causes small differences, dependent upon the color, sometimes conditions of atmosphere when weighed, etc., which are more annoying to the importer and more expensive to the Government to collect than high ad valorem rates of duty.

The elimination of this compound charge of \$1.50 per pound and 15 per cent would make very little difference in the amount collected by the Government and make it possible for an importer to figure prospective costs with reasonable accuracy. Velvets and silks vary in weight according to the color dyed, some colors weighing more than others. An entry is made on a large shipment of the same grade of velvet at, say, 50 per cent, the rate apparently highest on each case. On liquidating the importer finds that the liquidator has changed the rate to \$1.50 and 15 per cent on certain pieces which are shown to be extra heavy. An unexpected advance is thereby made in the cost of the shipment, which must be met by advance in price on the whole lot, as the particular lot on which the rate is advanced is no more valuable than the others.

We think that what has been said will show the justice of the amendment that we are asking for.

Fifth. We desire an amendment to paragraph 409. Paragraph 409, as it stands, reads as follows:

Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem; if bleached, dyed, colored or stained, twenty per centum ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

We desire an amendment which will make the paragraph read as follows:

Braids, plaits, laces, plateaux, and sheets or squares, composed wholly or in chief value of straw, chip, grass, palm leaf, willow, osier, or rattan, or either of them, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored or stained, fifteen per centum ad valorem; if bleached, dyed, colored or stained, twenty per centum ad valorem; hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

The principal objection to paragraph 409 as it now stands is the fact that it contains the word "wholly" in the first paragraph and thereby eliminates the only kind of willow squares known to the millinery trade from being dutiable thereunder, because the commercial willow square has a backing of cotton which forms an almost imperceptible per cent of the cost; and, further, a straw braid in fan-

ciful design is not included within the provisions of this paragraph because of the presence of a few cotton threads for use merely to hold together the straw, which cotton threads form an insignificant proportion of the value. It is therefore suggested that the insertion of the words "or in chief value" after the word "wholly" would permit the importation of all hat braids in chief value of any of the materials named in paragraph 409 at the same rate of duty, and would relieve the uncertainty in determining component materials of chief value in braids for making hats.

The word "plateaux" should be inserted, as these articles when made of any of the materials mentioned in the paragraph are used for the same purposes as braids, plaits, laces, and sheets. The word "willow" before the words "sheets or squares" has been cut out of the proposed paragraph, as its presence amounts to an absurdity in view of the fact that the subsequent language amply covers it.

Sixth. We desire paragraph 425 amended. This paragraph now reads as follows:

Feathers and downs of all kinds, including bird skins, or parts thereof, with the feathers on, crude or not dressed, colored, or otherwise advanced or manufactured in any manner, not specially provided for in this act, fifteen per centum ad valorem; when dressed, colored, or otherwise advanced or manufactured in any manner, including quilts of down and other manufactures of down, and also dressed and finished birds suitable for millinery ornaments, and artificial or ornamental feathers, fruits, grains, leaves, flowers; and stems, or parts thereof, of whatever material composed, not specially provided for in this act, fifty per centum ad valorem.

We desire the paragraph to be amended so as to read as follows:

Feathers and downs of all kinds, including bird skins or parts thereof with the feathers on, crude or cleaned, but not dressed, colored, or otherwise advanced or manufactured in any manner, not specially provided for in this act, fifteen per centum ad valorem; when dressed, colored, or otherwise advanced or manufactured in any manner, including quilts of down and other manufactures of down, and also dressed and finished birds suitable for millinery ornaments, and artificial fruits, grains, leaves, flowers, and stems, or parts thereof, of whatever material composed, and articles composed wholly or in chief value of the foregoing or either of them, not specially provided for in this act, fifty per centum ad valorem.

The first change in this paragraph is in the addition of the word "cleaned" after the word "crude" in the first part of the paragraph. This provision will permit the importation of feathers which are in their natural state but which have had the foreign matter adhering to them removed by washing, and it will relieve some such an absurdity as actually occurred in the importation of feathers which had not been changed in condition by any process. Some feathers were imported into the port of Chicago; part of them apparently had been cleaned and another part had not. The apparently cleaned portion were assessed for duty at 50 per cent as feathers advanced, while the uncleaned portion were assessed at 15 per cent as crude feathers. It was later established that all the feathers were in a crude condition and had never been cleaned by artificial means, but, as it was alleged, came from the clean parts of the bird. There are some inequalities in the administration of this paragraph which would be done away with by the above-proposed change.

The other changes in phraseology would serve to eliminate questions which have arisen and are still unsettled and are now pending in the United States court.

Respectfully submitted.

PETER ZUCKER,
*Counsel for the Millinery Jobbers' Association
of the United States.*

FURS.

[Paragraphs 426, 450, 561, and 562.]

THE FUR SKIN DRESSERS' UNION, NEW YORK CITY, FAVORS A HIGHER TARIFF ON FURS MADE INTO PLATES.NEW YORK, *November 25, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned, represent the Fur Skin Dressers' Union, an organization of workmen employed in the trade of dressing fur skins.

The said organization favors a higher tariff on all furs dressed on the skin, manufactured, and made into so-called plates.

The present duty on manufactured goods is 35 per cent ad valorem and on dressed furs 20 per cent ad valorem.

From the table prepared by the Commissioner of Labor we find that the wages of furriers in the five-year period of 1885 to 1889 were \$3.39 per day; between 1891 and 1893 the average wages fell to \$2.02; in 1895 to 1896 they were \$2.06, and between 1897 and 1901 they averaged \$2.19 per day.

From the statistics obtainable and from our knowledge of the trade we estimate the wages of 1901 to 1908 at about \$2 per day.

We ascribe the fall of wages in our trade largely to the effects of the present tariff.

Under the present tariff we are placed in direct competition with the cheaper labor of European fur workers, and, furthermore, we do not get enough work.

The dressed furs imported from Europe are, in a number of cases, practically manufactured and sewn into linings, or "plates" as they are termed, and are sent into our market under the schedule of skins with a duty of 20 per cent ad valorem under the present law, instead of 35 per cent ad valorem.

We also find that the importation into this country has grown in thirteen years from \$7,620,084 to \$21,883,667, while our exports have, during the same period of time, increased from \$4,238,690 to \$7,139,221, thus plainly showing a balance of trade in favor of the European market.

The work of dressing furs in this country is in the hands of skilled mechanics, who find it absolutely impossible to compete with the cheaper European labor, and especially with labor employed on the cheaper grades of furs.

On the other hand, there is not enough work in the fur trade in this country at present to warrant any experiments with more economical methods of production.

Therefore, we ask you to commend in behalf of the fur workers of this country an increase in the tariff on dressed furs from 20 per cent to 40 per cent, which would naturally cause the importation of low-priced goods from Europe to become less profitable, and this would result in the development of a fur industry in this country which would excel that of the European countries.

All of which is respectfully submitted.

EDW. J. ANDERSON.
ALBERT L. HETZE.
CONRAD KOTHE.

**REPRESENTATIVES OF THE FUR DRESSERS AND FUR DYERS ASK
AN INCREASE OF DUTY ON THEIR PRODUCTS.**

NEW YORK, *November 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned represent the fur dressers and the fur dyers of the United States. This interest is not a trust. It is not a monopoly. We are not manufacturers. We are not importers. We are not dealers. We are simply laborers, workingmen. Some of us are contractors, that is to say, we employ numbers of men to do our work for us in factories appointed and arranged for that purpose. But we are all laborers, nevertheless.

A very brief statement of the method in which the business is at present conducted may not be out of place.

Your honorable committee will find upon investigation that a very large percentage, perhaps 90 per cent, of the furs which are the subject of this brief are caught or trapped in this country, that is to say in America, in various parts of this country. When so caught and trapped they are thereafter handled by the trapper or hunter and sent in quantities to the New York commission merchants in their rough, original, natural state.

These New York commission merchants in turn send these various skins (furs), a detailed list of which your honorable committee will find specifically mentioned hereafter, to the London auction rooms; some also to Leipzig, in Germany, and there these raw skins (furs) are sold, and thus the price on these skins (furs) is established.

Now, up to this time we have no fault to find, no objection to make.

Now, our plaint is as follows: After these skins (furs) are sold at London or Leipzig, as the case may be, then the trouble begins.

That is where this honorable committee must come to the relief of the American laborer.

Now, how does it work to-day?

The result of the auction sales at London and Leipzig is that these skins (furs) of the various kinds mentioned hereafter are distributed to buyers resident in various parts of the world. Having bought and gotten possession of and title to them, they immediately arrange with the dresser and dyer of London and Leipzig for the dyeing and for the dressing of these skins (furs) which, on account of the ridiculously low price of labor as compared with our price here, as your honorable committee will readily see, means that more than 50 per cent of the labor is done in foreign countries, to the exclusion of our American workmen.

After the London and Leipzig dyer and dresser has dressed and dyed these skins (furs) he puts them in what we call "plates"—that is to say, a number of skins (furs) all stitched or fastened together and forming a "plate" of about 36 by 40 inches, and by this simple trick and device they come in as dressed and dyed skins (furs) "not manufactured" and pass through our custom-house at a 20 per cent tariff.

Now, what is the remedy?

As stated above, we have no objection to the raw skins (furs) being sent to London and Leipzig for sale and there distributed at whatever price they may be sold at.

What we object to is the work and labor on these skins (furs) being done on the other side at prices with which our American labor can not compete.

And what is the result?

Our American labor has work distributed over a period of twelve months which should be done in about six months. In other words, our people are working half time; idle the rest of the time. Fancy the condition of affairs where our working people, willing and anxious to work, their employers and contractors willing and anxious to give them work, are prevented simply by this unjust and unrighteous tariff on these articles.

What is the remedy?

Put a 40 per cent tariff instead of a 20 per cent tariff on these skins (furs) and the trick is done at once.

Let this honorable committee not forget that 90 per cent of these skins (furs) (hereinafter mentioned) are raised in America and by the trick and device mentioned and described above our own people are prevented from dressing and dyeing, deodorizing, and preparing for market these various skins (furs) of animals born and raised on this soil.

It is as though our Congress deliberately acted in the interests of foreigners, and with the design to keep work away from our own American people.

But, of course, we know that such is not the case.

We know that the Congress is placed in a false position by this wrongful tariff on these articles.

Let us repeat again: We are not importers, we are not exporters, we are not manufacturers, we are not dealers, we have nothing to buy, we have nothing to sell; we are laborers pure and simple, asking simply that work which we are able to do, with an abundance of men and plants sufficient for every purpose, shall not be taken away from us, and that we shall not be deprived of that work which rightfully belongs to us.

We ask you to respectfully consider the propositions we make to you, feeling sure that you are actuated by the highest, the purest, and the best motives, and that the powers of your honorable committee will always be exercised in favor of the citizens of this country and of American labor, even though it may be to the exclusion and disadvantage of residents of other countries and the subjects of other governments.

The skins (furs) that we refer to herein are: Muskrat, squirrel, marmots, susliki, Persian lamb, astrakhan.

All of which is respectfully submitted.

A. C. SCHUTZ,
THEODORE SCHIFF,
*Representing the Dyers and Dressers
of Furs and Skins in the United States.*

**STATEMENT OF CHARLES S. PORTER, OF NEW YORK CITY, WHO
OBJECTS TO ANY INCREASE OF DUTY ON FURS.**SATURDAY, *November 28, 1908.*

Mr. PORTER. I am called down here hastily, gentlemen, because we have learned that there is a committee here to ask for an advance in the duty on dressed furs and peltry not manufactured. I have learned that they are going to ask you to advance the duty from 20 to 40 per cent, on the ground that if they do not ask for an advance you may reduce it, and they do not want it reduced. Neither do the gentlemen whom I represent. We are the fur merchants and manufacturers of New York—about 83 firms—and they have sent me down here to tell you that they are satisfied under the present conditions, and do not want an advance made in this duty. The gentlemen who will ask you to advance the duty represent about 2,500 people in that industry.

During the past ten years under the present rate of duty this has become quite a successful business. The majority of the men engaged in this business have made money. The present rate of wages of the mechanics employed in it are higher now than they ever have been in the history of the fur business. I have letters here from four of the most successful dressers and dyers in New York connected with this association, who are here to ask for an advance, saying that they are satisfied and do not want an advance; that they are making enough money, and that the 20 per cent is ample and sufficient protection to their work. And, further, as Mr. Littauer has told you, in dyeing furs some of the Europeans have been more successful than any Americans, and we are compelled to import furs dressed and dyed. But we are importing less of such goods than in previous years because the American or New York dressers and dyers are becoming more successful in this work, and all the people engaged in this business prefer to have the work done here when it can be done properly, and they are encouraging the dressers and dyers by giving them the work in large quantities so long as they do it well. For instance, take a lynx skin, which is probably the most fashionable skin used this winter. It is used dyed black. If it is not properly dyed, after a few weeks it turns red and the skin has lost its commercial value almost altogether. For that reason we are compelled to have them done abroad, just as Mr. Littauer told you that he had to have his kid skins and goatskins dressed abroad. They are more expert at doing that work.

The American dressers and dyers are making progress, and under this 20 per cent schedule the good workers are making money, and the mechanics so employed are getting a higher scale of wages than they have gotten in previous years, and one of the dressers told me that the mechanics earn, according to their ability, from \$12 to \$38 a week. So I think that it will appeal to you gentlemen as a good scale of wages for mechanics.

Mr. UNDERWOOD. What is the volume of the fur business in this country?

Mr. PORTER. I could not tell you that. I have not those data. I only got this news yesterday to come down here.

Mr. UNDERWOOD. What is the value of the importations?

Mr. PORTER. That I could not tell you. We have no data on file, either our association or its members. We are rather new at it; we have only gotten together in the last few years, and those details we have not got.

Mr. RANDELL. One question. Would the reduction or the withdrawal of the tariff on furs reduce the price in this country to the purchaser?

Mr. PORTER. It would; yes, sir.

Mr. RANDELL. I am in favor of it, then.

EXHIBIT A.

NEW YORK, *November 27, 1908.*

Mr. CHARLES S. PORTER,
*President Fur Merchants' Credit Association
of the City of New York, N. Y.*

DEAR SIR: Learning that there is a movement on foot to make application to the Ways and Means Committee for a change in the present rate of duty on dressed and dyed furs, we herewith desire to protest against such action, for the simple reason that the present rate of duty affords ample and full protection to our industry.

Yours, very truly,

SEFTER & SON.

EXHIBIT B.

NEW YORK, *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At a meeting of the Fur Merchants' Credit Association, held November 27, 1908, upon motion duly made and seconded, it was unanimously resolved that the president, Mr. Charles S. Porter, be, and herewith is, instructed to proceed to Washington for the purpose of appearing before the Ways and Means Committee for a hearing; for the purpose of urging on behalf of the Fur Merchants' Credit Association, which is composed of all of the leading fur merchants of the city of New York, that no action be taken with reference to an increase in the present rates of duty as assessed on furs dressed on the pelt.

That he present the facts that the fur dressing and dyeing enterprises in the United States have been and are in a prosperous state, and that the present rates of duty as assessed have afforded and do afford full and ample protection to those engaged in the dressing and dyeing of furs in the United States.

FUR MERCHANTS' CREDIT ASSOCIATION,
HARRY EISENBACH, *Secretary.*

EXHIBIT C.

NEW YORK, *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: In pursuance of an order of the executive committee of the board of directors of the Fur Manufacturers' Associations of New York City, the bearer, Mr. C. S. Porter, is hereby authorized to appear before your honorable body in behalf of this association at the hearing to be given upon the tariff schedules relating to furs.

Respectfully, yours,

FUR MANUFACTURERS' ASSOCIATION OF NEW YORK CITY,
 ALEX HEILBREUR, *President.*

[SEAL.] DAVID C. MILLS, *Secretary.*

EXHIBIT D.

37-47 BOGART STREET,
Brooklyn, N. Y., November 27, 1908.

Mr. CHAS. S. PORTER, Esq.,
President Fur Merchants' Credit Association, New York City.

DEAR SIR: Being informed that an attempt is to be made to have a change in the present existing tariff on dressed fur skins, I desire to state that I am one of the largest dressers of fur skins and to go on record as opposed to any change in the present tariff rate, inasmuch as they now exist, as the same affords the protection necessary to our industry.

JULIUS MESERITZ SONS.

EXHIBIT E.

NEW YORK, *November 27, 1908.*

Mr. CHARLES S. PORTER,
*President Fur Merchants' Credit Association
 of the City of New York, N. Y.*

DEAR SIR: Learning that there is a movement on foot to make application to the Ways and Means Committee for a change in the present rate of duty on dressed and dyed furs, herewith desire to protest against such action, for the simple reason that the present rate of duty affords ample and full protection to our industry.

Yours, very truly,

HERMAN BASCH & Co.

EXHIBIT F.

BOROUGH OF BROOKLYN, N. Y., *November 27, 1908.*

Mr. CHARLES S. PORTER,
*President Fur Merchants' Credit Association,
 of the City of New York, N. Y.*

DEAR SIR: Learning that there is a movement on foot to make application to the Ways and Means Committee for a change in the pres-

ent rate of duty on dressed and dyed furs, herewith desire to protest against such action for the simple reason that the present rate of duty affords ample and full protection to our industry.

Yours, very truly,

WM. BEYER.

STATEMENT OF A. C. SCHUTZ, OF NEW YORK CITY, RELATIVE TO THE DRESSING OF FURS AND THE DUTY REQUIRED.

SATURDAY, *November 28, 1908.*

Mr. SCHUTZ. I represent the board of trade and fur dressers and dyers. You have heard the argument of the previous gentleman referring to the excellence and efficiency and ability of the workers. In the dyeing part of the fur business it is correct, but so far as the dressing of the skins goes, I can tell you it is purely labor, and, of course, if this country can not furnish as good a supply of this material as Europe, necessarily the market goes to Europe. But in the dressing of furs it is pure labor, and there are a number of skins that are cut in this country and sent over to Europe and then dyed there and sewed into plates and sent back to this country. Chiefly I would call your attention above all to the muskrat. There is no muskrat imported here. Why not? Because it is cheaper to have them dressed and dyed abroad and come in under the 20 per cent duty. That is to say, they are imported in plates and not in skins. They are partly manufactured, which was on the 25 per cent duty, and it was reduced then to 20 per cent duty, and we claim that it ought to belong to the 25 per cent duty. That is about the chief of our contention.

STATEMENT OF CONRAD KOTHE, OF NEW YORK CITY, REPRESENTING THE FUR SKIN DRESSERS' UNION.

SATURDAY, *November 28, 1908.*

Mr. KOTHE. Mr. Chairman and gentlemen of the Ways and Means Committee, you have heard the facts stated by both my predecessors here. I am representing the Fur Skin Dressers' Union, an organization consisting of workmen who are depending solely upon the fur trade of this country for their livelihood and maintenance of their families. I will give you a few facts, which I have developed and put together, which will contradict the argument of Mr. Porter representing the importers of the fur trade in this country. We have religiously held to the theory of protection, inasmuch as competition in our business tends to keep the prices low to the public. The importation has grown within the last thirteen years from \$7,000,000 to \$21,000,000, while our exports remained about the same in that length of time, thereby, as you can plainly see, giving the advantage of the balance of trade to the European market.

Mr. COCKRAN. How much were the exports?

Mr. KOTHE. The exports were about \$7,000,000.

Mr. CLARK. What made furs go up in the last six or eight years?

Mr. KOTHE. That I will get to. These articles are sent to this country combined in plates and come in as dressed furs. They are not

dressed skins. They are the manufactured lining. This enables the importer to get his lining in his possession by cheap production, produced by cheap labor in Europe, and which command just such price as he may demand from the consumer. Has the consumer derived one benefit in the last thirteen years from the duty on fur skins? Not one iota. He pays the same as he did thirteen years ago, although the importer is receiving the furs far cheaper than we can afford to do them for in this country.

The gentleman said our average wages were \$12 to \$38. I will beg to contradict him in that matter. We have a statement, certified to, of our wages, and we only work six months in the year and do not average \$2 per day. This six months takes up in a spreading sort of a manner our whole year's time. If these conditions that exist at present are allowed to continue under the present tariff, will not this be an awful condition for our workmen in this country?

Now, I would like to bring before you a charge, if it is permissible, which I know to be a positive fact. It was drawn through a conspiracy within the nineteenth hour of this event by an importer against the men who employ us. One man in particular, my employer, who advocated my coming here, was forced by the man that he done business with to sign a letter stating that he was in favor of the present tariff. If he did not sign that letter, gentlemen, he was told he would get no more work. Is not that a sad event of affairs for the American mechanic to depend upon? Is not that a terrible condition to have, that we must look back and our children will be deprived of the necessaries we feel that they must acquire in the future? Is not that terrible? We spent our time for three years and a half of service as mechanics in order to learn our trade, and now we find that through a certain class we are to be thrown aside; after developing ourselves and after making up our minds that we would have something to depend upon for our livelihood, now we must take a side issue through the cheap European production, and thereby the importer only deriving the benefit from it. The consumer gets no benefit whatsoever. The consumer pays the same price to-day for furs as he did twenty years ago.

Mr. COCKRAN. Pays more.

Mr. KOTHE. In fact, he pays more.

Mr. CLARK. He pays twice as much as he did five years ago.

Mr. KOTHE. I do not know as I would like to take any more of your time on this matter, owing to the fact that there are others to be heard here, only I would like to state that we advocate a 40 per cent duty.

Mr. COCKRAN. You said a moment ago that the wages in your business, paid to your workmen whom you represent, were \$2 a day, but that they worked only half the year?

Mr. KOTHE. Yes.

Mr. COCKRAN. According to that they must work for about three hundred days a year?

Mr. KOTHE. Well, I averaged it that the \$2 a day is for that half a year only.

Mr. COCKRAN. What do you mean? Do you mean that they work at the rate of \$2 a day for half the year?

Mr. KOTHE. Yes, sir.

Mr. COCKRAN. That would be about \$300 a year?

Mr. KOTHE. Yes.

Mr. COCKRAN. Do you not think that anything that would change your occupation would be an advantage to you, at that rate?

Mr. KOTHE. I think it would.

Mr. COCKRAN. An ordinary day laborer out in the street will make from \$2 to \$2.60 a day, and work almost every day in the year.

Mr. KOTHE. Still, we have to work three and a half years at it to learn our trade, which we depend upon for our livelihood.

Mr. COCKRAN. Would it not be to your advantage to change your occupation, no matter what else you went at; because you can obtain as a common laborer twice that much?

Mr. KOTHE. Compulsion will finally compel us to, unless we can get the work so that we can be busy the whole year.

Mr. COCKRAN. That will be compelling you to double your labor.

Mr. KOTHE. We will be glad to be compelled to do that. But is it not, under the present conditions, unreasonable to think that we are able to earn only that much?

Mr. COCKRAN. But the increase of the tariff would only double your pay.

Mr. KOTHE. What we are looking for is work.

Mr. COCKRAN. You are looking for wages, are you not? Now, what I want to point out to you is, are you not mistaken about this, and would it not be a distinct advantage to you to change your occupation, however it was done, when the most ordinary laborer, the most unskilled laborer, can earn from \$2 to \$2.60 a day?

Mr. KOTHE. That would drive this industry out of this country. We are endeavoring to build up an industry in this country.

Mr. COCKRAN. But you would be gaining by the change?

Mr. KOTHE. We as individuals would; but is it that we must allow our whole industry to go out of the country and leave the country on account of the fact that our European competitors can drive us out of the market?

Mr. COCKRAN. Yes; but I want to consider precisely the attitude you take. If your attitude is that of defending the wages, I want to point out to you that the wages you are defending are so ridiculously small that it would be to your advantage to get into some other occupation.

Mr. KOTHE. But if we get the work our wages would be higher. Our work is done by piecework and by skilled mechanics.

Mr. COCKRAN. Do I understand that your contention is that if the duty were increased as you say, your wages would be increased how much?

Mr. KOTHE. Our wages would be increased. If we got ten months' work in the year we would be satisfied.

Mr. COCKRAN. Would you get that?

Mr. KOTHE. We figure we would.

Mr. COCKRAN. How do you figure; that is what I would like to know? I would like you to show us if you can.

Mr. KOTHE. At present these skins are shipped in in these plates. Of course I could not give you the exact figures as to the skins in each plate. They vary. We figure that the amount of skins deprives us of just that amount of work. From the statistics we have drawn together we conclude that the plates that were imported each year, if they were not imported into this country, would be enough to give us the balance of three months' work a year, which would bring our wages up to about \$4 a day, thereby employing us ten hours a day.

Mr. COCKRAN. I do not quite follow your arithmetic or see how increasing the period of the employment by three months would double your pay to the amount of \$4 a day.

Mr. KOTHE. The fact of the matter is now that we are working so little time that our average is only \$2 a day. We average it at \$2 a day the year around.

Mr. COCKRAN. I understood you to say for half the year.

Mr. KOTHE. We are only employed for half the year.

Mr. COCKRAN. Perhaps I have misunderstood you.

Mr. KOTHE. So we have got to base our average yearly. It is not the time we figure on, it is the average we make in the year that we figure.

The CHAIRMAN. The gentleman's time has expired.

Mr. COCKRAN. Do I understand you to say that you will average \$2 a day and work for half the year, or that you are paid at the rate of \$4 a day and work half the year, and therefore average \$2 a day for the whole year? Which do you mean?

Mr. KOTHE. I mean that if we worked the whole year we would average \$4 a day; that is, if we had the work.

Mr. COCKRAN. Then you will average \$4 a day and work only half the year?

Mr. KOTHE. Yes.

Mr. COCKRAN. That is what you mean?

Mr. KOTHE. Yes.

ADDITIONAL STATEMENT MADE BY CHARLES S. PORTER, OF NEW YORK CITY, RELATIVE TO DRESSED SKINS.

SATURDAY, *November 28, 1908.*

Mr. PORTER. Just a word, Mr. Chairman. This young man has made a very serious charge about these gentlemen who signed this letter yesterday. May I explain that?

The CHAIRMAN. You can have two minutes.

Mr. PORTER. When I learned there was to be a committee to be sent down here to ask for an increase of the duty I sent for these dressers, and they came to my office, and I asked them why they did so, and they said: "We are afraid they are going to take the duty off of dressed skins, and if we do not ask for a large increase we will not get the 20 per cent." I said: "Are you satisfied with the 20 per cent?" "We are satisfied." "Will you put that over your signature?" They said: "We will." That is where these letters came from that I have filed here with you.

STATEMENT OF THEODORE SCHIFF, PRESIDENT OF THE FUR DRESSERS AND DYERS' BOARD OF TRADE.

SATURDAY, *November 28, 1908.*

Mr. SCHIFF. Mr. Chairman, I am president of this Dressers and Dyers' Board of Trade.

The CHAIRMAN. The hearing is closed on that subject.

Mr. SCHIFF. I only ask two minutes, because I have been placed in a very compromising position.

The CHAIRMAN. What is your name?

Mr. SCHIFF. Theodore Schiff. I am president of the Fur Dressers and Dyers' Board of Trade.

The CHAIRMAN. How many gentlemen are there that are compromised here? [Laughter.]

Mr. SCHIFF. That is all. This is a very small industry, as you gentlemen know.

The CHAIRMAN. We will hear you for two minutes.

Mr. SCHIFF. All right. I have been placed in a very compromising position through these three or four letters which Mr. Porter claims he had signed. These men are among the instigators of my appearing before you, members of my association, through which two of them—

The CHAIRMAN. Now do not say anything unkind about anybody whereby three or four others will want to be heard.

Mr. SCHIFF. No; I only want to say it is very foolish of me to appear before you as president of the organization, whereas all four gentlemen sent me down here, and within twenty-four hours put their names onto a paper where they are satisfied. Now, why they were satisfied within that twenty-four hours I do not know.

Mr. COCKRAN. Join them. Join their satisfaction. [Laughter.]

Mr. SCHIFF. Yes; I will not say anything more. I will file my brief with the reporter.

BRIEF FILED BY THEODORE SCHIFF, REPRESENTING THE DYERS AND DRESSERS OF FURS AND SKINS.

NEW YORK CITY, *November 26, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: The undersigned represent the fur dressers and the fur dyers of the United States. This interest is not a trust. It is not a monopoly. We are not manufacturers. We are not importers. We are not dealers. We are simply laborers—workingmen.

Some of us are contractors—that is to say, we employ numbers of men to do our work for us in factories appointed and arranged for that purpose.

But we are all laborers, nevertheless.

A very brief statement of the method in which the business is at present conducted may not be out of place.

Your honorable committee will find upon investigation that a very large percentage, perhaps 90 per cent, of the furs which are the subject of this brief are caught or trapped in this country—that is to say, in America, in various parts of this country. When so caught and trapped they are thereafter handled by the trapper or hunter and sent in quantities to the New York and other city commission merchants in their rough, original, natural state.

These commission merchants in turn send these various skins [furs], a detailed list of which your honorable committee will find specifically mentioned hereafter, to the London auction rooms; some, also, to Leipzig, in Germany, and there these raw skins [furs] are sold, and thus the price on these skins [furs] is established.

Now, up to this time we have no fault to find, no objection to make.

Now, our plaint is as follows: After these skins [furs] are sold at London or Leipzig, as the case may be, then the trouble begins.

That is where this honorable committee must come to the relief of the American laborer.

Now, how does it work to-day?

The result of the auction sales at London and Leipzig is that these skins [furs] of the various kinds mentioned hereafter are distributed to buyers resident in various parts of the world. Having bought and gotten possession of and title to them, they immediately arrange with the dresser and dyer of London and Leipzig for the dyeing and for the dressing of these skins [furs], which, on account of the ridiculously low price of labor, as compared with our price here, as your honorable committee will readily see, means that more than 50 per cent of the labor is done in foreign countries, to the exclusion of our American workmen.

After the London and Leipzig dyer and dresser has dressed and dyed these skins [furs] he puts them in what we call "plates"—that is to say, a number of skins [furs] all stitched or fastened together and forming a "plate" of about 36 inches by 40 inches, and, by this simple trick and device, they come in as dressed and dyed skins [furs] "not manufactured," and pass through our custom-house at a 20 per cent tariff.

Now, what is the remedy?

As stated above, we have no objection to the raw skins [furs] being sent to London and Leipzig for sale and there distributed at whatever price they may be sold at.

What we object to is the work and labor on these skins [furs] being done on the other side at prices with which our American labor can not compete.

And what is the result?

Our American labor has work distributed over a period of twelve months which should be done in about six months. In other words, our people are working half time; idle the rest of the time. Fancy the condition of affairs where our working people, willing and anxious to work, their employers and contractors willing and anxious to give them work, are prevented simply by this unjust and unrighteous tariff on these articles.

What is the remedy?

Put a 40 per cent tariff instead of a 20 per cent tariff on these skins [furs] and the trick is done at once.

Let this honorable committee not forget that 90 per cent of these skins [furs] hereinafter mentioned are raised in America, and by the trick and device mentioned and described above our own people are prevented from dressing and dyeing, deodorizing, and preparing for market these various skins [furs] of animals born and raised on this soil.

It is as though our Congress deliberately acted in the interests of foreigners, and with the design to keep work away from our own American people.

But of course we know that such is not the case. We know that the Congress is placed in a false position by this wrongful tariff on these articles.

Let us repeat again: We are not importers; we are not exporters; we are not manufacturers; we are not dealers; we have nothing to

buy; we have nothing to sell; we are laborers pure and simple, asking simply that work which we are able to do, with an abundance of men and plants sufficient for every purpose, shall not be taken away from us, and that we shall not be deprived of that work which rightfully belongs to us.

Our representatives who will appear before your honorable committee are provided with statistics, and ask for an opportunity to state to your honorable committee the grievances under which they labor, and they ask you to respectfully consider the propositions which they will make to you, feeling sure that you are actuated by the highest, the purest, and the best motives, and that the powers of your honorable committee will always be exercised in favor of the citizens of this country, and of American labor, even though it may be to the exclusion and disadvantage of residents of other countries and the subjects of other governments.

All of which is respectfully submitted.

THEODORE SCHIFF,
*Representing the Dyers and Dressers of
Furs and Skins in the United States.*

Schedule referred to in this brief. The skins [furs] that we refer to herein are: (A) Muskrat, (B) squirrel, (C) marmots, (D) susliki, (E) Persian lamb, (F) Astrakhan.

REPRESENTATIVES OF THE HATTERS' FUR INDUSTRY ASK A SEPARATE CLASSIFICATION FOR THEIR PRODUCT.

NEW YORK CITY, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This memorial is presented in behalf of the entire hatters' fur industry of the United States, composed of Jonas & Naumburg, New York City; H. & A. Chapal Freres & Co., Brooklyn, N. Y.; Bloch & Hirsch Fur Company, Brooklyn, N. Y.; Hitchcock, Dermody & Co., Brooklyn, N. Y.; Pellissier, Jeunes & Rivet, Brooklyn, N. Y.; H. Picard & Co., Newark, N. J.; Donner & Co., Newark, N. J.; Martin Bates, Jr., & Co., South Norwalk, Conn.; American Hatters and Furriers' Company, Danbury, Conn.; J. W. Katz, Newark, N. J.; John B. Stetson Company, Philadelphia, Pa.; New England Fur Company, Fall River, Mass.; Waring Hat Manufacturing Company, Yonkers, N. Y.

Its purpose is to convey, in a brief and concise statement, information for the benefit of the committee, in order that intelligent consideration may be given to those paragraphs of the existing tariff act affecting our industry.

The industry is mainly centralized within a radius of 100 miles of New York City, employs over 3,000 persons in the various factories, and consists solely of removing the hair or fur from the skin of the rabbit, hare, nutria, and beaver, after opening, carding, cleaning, and other processes, and chemically treating it with a solution of nitric acid and quicksilver (or mercury), called "carrotting," producing a product commonly known as "hatters' furs." This product is sold to felt-hat manufacturers and is manufactured into felt hats by a separate and distinct industry.

The industry is affected under the act of July 24, 1897, by the following paragraphs:

Paragraph 426. Furs, dressed on the skin, but not made up into articles, and furs not on the skin, prepared for hatters' use, including fur skins, carrotted, twenty per centum ad valorem.

Paragraph 561. Furs, undressed (free).

Paragraph 562. Fur skins of all kinds not dressed in any manner, and not specially provided for in this act (free).

From the statement heretofore made it will be observed that this industry consists of various incidental treatments, including carrotting, of the fur of various small animals, and it therefore is apparent that it is the skins with the fur thereon of these various animals which forms the raw material and is the basic property of our product. All of this raw material is imported from other countries, principally the cold regions of Europe and Australia. The fur used comes almost exclusively from animals not indigenous to North American climates.

The industry of manufacturing hatters' furs is largely a creation of a moderate tariff protection, and its status as a recognized active industry is practically coexistent with the tariff act of 1862, when an ad valorem duty of 20 per cent was enacted. This rate has remained inviolate through all tariff legislation since that time, and irrespective of the increase or decrease in the tariff on other manufactured products, the duty on hatters' fur has remained unchanged.

It has been this feeling of security that has permitted the industry to make progress, and yet we have at all times felt the keen competition of European manufacturers, and this competition has resulted in a fair consumption of imported hatters' furs by the hat manufacturers of this country.

All of our product goes into the manufacture of felt hats, and is purchased by hat manufacturers. The home consumption of hatters' fur during the past fifteen years has not had a decidedly wide range, only increasing in slight proportions as the increase in the manufacture of felt hats became stimulated by the demand of an ever-growing population; and yet the annual value of our production has undergone marked changes, due entirely to the wide fluctuations in the values of the skins in the foreign markets. This value has been regulated by the law of supply and demand, and the highest values have doubled the lower values as the markets changed, so wide has been the range.

The entire domestic consumption of hatters' furs in the United States has averaged during the past fifteen years from \$7,000,000 to \$9,000,000 annually, and we quote herein, for comparison, the table of imports of "furs not on the skin, prepared for hatters' use," this being the technical description of our product.

Year.	Value.	Year.	Value.
1894.....	\$767,535	1901.....	\$1,122,958
1895.....	1,074,519	1902.....	1,063,897
1896.....	711,267	1903.....	1,230,766
1897.....	721,218	1904.....	1,063,874
1898.....	1,181,177	1905.....	1,137,991
1899.....	1,388,691	1906.....	1,112,326
1900.....	935,813	1907.....	897,401

There has been no appreciable difference in the quantity of hatters' furs imported into the United States during the past fifteen years, and the table in this respect is misleading and would seem not to support this statement, but admits of a ready explanation when the fluctuation in values is taken into consideration.

It will be observed that the consumption of domestic hatters' fur is between four and five times the consumption of imported hatters' fur, so that it can not be maintained that there is any control of the market by the domestic manufacturers. Indeed, were it not for the liberal lines of credit extended by the domestic manufacturer and the ability to make quick deliveries, the European market would produce a decidedly larger percentage of our home consumption.

The duty of 20 per cent, standing by itself, is not sufficient to protect American labor against its foreign competitor. We are prepared to furnish the committee with the real facts respecting the cost of production in European factories, and our investigation proves that the labor cost in Europe is from 45 to 52 per cent less than the labor cost in the United States, which may be confirmed by data in your possession from consular reports.

The European manufacturer has this additional advantage: Their factories are located in close proximity to where the fur skins are collected, substantially all the chemicals with which the fur is treated are purchasable cheaper abroad, and they have a recognized decrease in the cost of production (rent, office expense, etc.). The duty of 20 per cent is one of the lowest rates in the present schedule on manufactured products, and is a tariff for revenue only.

In order that the committee may have before it accurate information from which they may intelligently estimate what benefit the consumer would receive in the event that the entire tariff wall should be removed from our home products and hatters' fur admitted absolutely free of duty, we beg to state that the hatters' fur in the finished hat represents from 7 to 10 per cent of its selling price in the retail store, varying according to quality, and if the duty on hatters' fur were entirely removed, it would mean a saving of less than the 20 per cent duty on the cost price of this hatters' fur, equal to from 3 to 5 cents on every hat purchased at retail by the consuming public. We arrive at this conclusion from the knowledge in our possession that the cost of the fur in a hat sold at retail at \$2 (the popular price in this country) is from \$1.84 to \$2.06 per dozen.

It therefore appears that a hat which is sold to the consumer at \$2 contains a little over 16 cents' worth of fur, and that if the duty were entirely removed the reduction to the consumer, assuming that the consumer would be the sole beneficiary, would be 20 per cent of the fur value, or about 3 cents. This condition would result if the tariff would be entirely removed; if the rate is only reduced, then the difference would be fractional. The immediate beneficiaries of any reduction in the duties would apparently be the manufacturers of hats. The benefits of home manufacture, which would be destroyed by a reduction of tariff, are so apparent to the manufacturers of hats in this country that they are a unit in opposing any such reduction.

Imported hatter's fur before it reaches the hands of the consumer in the shape of a finished hat is handled by five industries, all presumably making some profit—(1) the importer of the hatters' fur,

(2) the manufacturer of the hat body or cone (in many instances an independent industry), (3) the finisher of the hat body or cone (who shapes, blocks, and trims), (4) the jobber, and finally (5) the retailer.

Is there any possible chance of the consumer receiving the benefit of any change in the present tariff rate on this commodity and is there any member of this committee who is not impressed with the glaring fact that this benefit will in no manner accrue to the consumer?

We believe that the table of importations shown herein clearly indicates that the European manufacturer may be considered a fair competitor of this market and one who must always be counted upon as a factor in the industry. Certainly the present tariff is not prohibitory, and at its best is but a partial protection to an industry which has been fostered under an intact tariff for nearly fifty years, a tariff which has almost crystallized into a compact between the Federal Government and the manufacturers of hatters' furs.

We believe that we have fairly illustrated that the consuming public can receive no possible benefit by any change in the present rate on our product, and it follows that if the consuming public can receive no benefit from a lowering of the rate, and as there is no prohibitive tariff resulting in a consumption of the home product to the exclusion of any imported product, no reason exists which recommends a change.

There is no combination, agreement, or understanding between the manufacturers of hatters' furs in the United States; no fixed price; no set standards. The closest of competition prevails at all times, and the fluctuating market of our raw material prevents any possible understanding or agreement to maintain a set price. Indeed, European competition makes this impossible.

It has been brought to our attention that the preliminary notes on the tariff revision make the suggestion that the provision for "manufactures of fur" be transferred from paragraph 450 of the act of July 24, 1897, and annexed to paragraph 426 of the said act. In the event that this change is made, it may cause unnecessary confusion. The subject-matter "manufactures of fur," as we have endeavored to show, bears no analogy to paragraph 426 of the present act, as now constructed, but covers an entire, separate, and distinct class of manufacture, and one in no way related to hatters' fur.

Indeed, "hatters' fur," in its plain interpretation signifies the fur or hair removed from the skins of such animals as the rabbit, hare, nutria, and in some few instances the beaver, prepared and chemically treated into a product called "hatters' fur," because its sole and exclusive use is for the manufacture of the felt hat, and is the component part of felt hats commonly called "derbys," and "soft hats."

We present for illustration two exhibits marked Exhibit A (fur from hares) and Exhibit B (fur from conies), prepared and chemically treated and thus becoming hatters' fur. An examination of this so-called "fur" will show that it bears no resemblance to furs as generally recognized. Indeed, through the process of manufacture, it loses its entire identity as a fur, being separated from the skin and becomes a fibrous substance.

These exhibits of hatters' furs exemplify the furs used for hats, and this classification has always been separate and distinct in trade usage as well as tariff legislation, the result of a thorough knowledge

of the difference between "hatters' furs" and other "manufactures of furs." The rulings of the General Board of Appraisers and the United States courts show conclusively that there should be a separate classification, and any action of this committee combining these two classes will be a step backward.

We find it pertinent to express our opinion concerning a maximum and minimum tariff, in the event that it should be determined by the Congress to enact a law upon such a basis. The rate upon our product is to-day what substantially amounts to a minimum rate, and any minimum tariff below the present rate of duty would practically transfer our product to the free list, destroying the industry.

We therefore must respectfully ask that paragraph 426 be not changed in any manner as to form, classification, or rate, and that it be maintained as at present provided.

Respectfully submitted.

AARON NAUMBURG,
Representing the Hatters' Fur Industry of the United States.

**THE FUR SKIN DRESSERS' UNION FILES SUPPLEMENTAL BRIEF
RELATIVE TO FURS DRESSED ON THE SKIN.**

246 STEUBEN STREET,
Brooklyn, N. Y., January 8, 1909.

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In the tariff hearings you have a statement by Mr. Kothe, representing the Fur Skin Dressers' Union, regarding the necessity of an increased duty on furs dressed on the skin, manufactured and made into so-called "plates." In our statement, printed, we failed to point out the evident misapplication of the law of 1897. Bearing upon this point, I beg to quote the following letter to a member of our tariff committee, Mr. A. L. Hetzel, as follows:

OFFICE OF THE COUNSEL FOR TREASURY DEPARTMENT,
BEFORE BOARD OF UNITED STATES GENERAL APPRAISERS,
641 Washington St., New York, N. Y., November 23, 1908.

MY DEAR MR. HETZEL: In answer to your inquiry as to how the Board of United States General Appraisers and the courts of the United States have decided in the classification of plates (i. e., pieces of skins, squirrels, and the like), cut, trimmed, and sewed together, but not completed into any finished article, I beg to mention the case of Brandenstein & Co., decided in 1899 by the Board of United States General Appraisers, reported as Treasury Decision 21805. The case arose under the present tariff law, act of July 24, 1897, and the board held that "several skins cut, matched, and sewed together, ready for sale and use," were properly assessable as manufactures of fur under the provisions of paragraph 450, which provides:

"450. Manufactures of leather, finished or unfinished; manufactures of fur, gelatin, gutta-percha, human hair, ivory, vegetable ivory, mother-of-pearl and shell, plaster of paris, papier mache, and vulcanized india-rubber, known as 'hard rubber,' or of which these substances, or either of them, is the component material of chief value, not specially provided for in this act, and shells engraved, cut, ornamented, or otherwise manufactured, thirty-five per centum ad valorem."

This decision would be very satisfactory to you, as it would to us, had it stood. An appeal, however, was taken, and on October 31, 1900, the United States circuit court, sitting in Chicago, Judge Kohlsaat presiding, overturned this decision and held the goods dutiable at 20 per cent as skins, dressed, under paragraph 438 "as dyed and finished goat skins." Had it been squirrels skins, it would have made no difference in rate, paragraph 426 being then applicable.

"426. Furs, dressed on the skin but not made up into articles, and furs not on the skin, prepared for hatters' use, including fur skins carroted, twenty per centum ad valorem."

It does not aid your contention even when dyeing has been applied, as the courts have held that "dyeing" is part of dressing and is included in dressing.

You are absolutely right in the belief that the law as now construed makes no fur article a manufacture unless it is a completed article in readiness for permanent use.

Yours, very respectfully,

N. B. SPALDING.

Mr. A. L. HETZEL,
New York City.

It seems to us that Congress intended that manufactured articles of furs dressed on the skin should pay a duty of 35 per cent, but they do not, as you will notice by the letter above quoted. As a result, floods of muskrats, squirrels, rabbits, possum, etc., made up for linings and garments, are imported into this country at 20 per cent ad valorem. As a result of this manifest error on the part of the Board of General Appraisers, G. A. 4897, last year over 75 per cent of the American skins used in linings, etc., were exported, made up and returned here, and paid the duty of 20 per cent. Second result: Several thousand people have been thrown out of employment.

We earnestly ask that our recommendation of November 28 may prevail, and that a duty of 40 per cent may prevail upon these manufactured goods, also furs dressed on the skin.

The importation of this manufactured product comes within the decision referred to, G. A. 4897, and is described in the Compilation of Customs Laws and Digest of Decisions Thereunder, 1908, as follows:

(i) Partly manufactured rugs made by cutting and matching together pieces of fur and sewing them temporarily are dutiable as furs dressed on the skin and not under paragraph 438 as dressed leather or goatskins, paragraph 450 as manufactures of fur, nor section 6 as nonenumerated articles.

The important point is, "sewing them temporarily." If the merchandise of any kind, of muskrat, squirrel, rabbits, etc., were merely attached together or sewed together temporarily, it would be one thing, but they are brought in here in complete "plates" ready for linings or for any purpose for which they can be used, consequently your law of 1897, we think, has been violated by administrative decisions.

Now how can you tell whether we are right or wrong? We know we are right because the employment of labor in this line has been transferred abroad and we know that we are right because of the samples of the merchandise which have been exhibited to us. But how can you know this? I am unable to purchase a plate made up as hereinbefore described. Won't you have the goodness, in the interest of our working people, to ask the honorable the Secretary of the Treasury to request the United States appraiser at New York to send to you from the next importation of this class of merchandise, the following described merchandise, for examination and return:

Plates of muskrat backs and muskrat bellies and plates of squirrel backs and squirrel bellies.

If you will do this you will have a practical demonstration of our contention. When you receive the samples, which the honorable appraiser at New York assures me he will be glad to forward upon your

request, won't you wire me, so that I can call upon you and answer any questions which have not been covered in our original brief or this letter?

Sincerely, yours,

EDW. J. ANDERSON,
Chairman, Tariff Committee, Fur Skin Dressers' Union.

HUMAN HAIR.

[Paragraphs 429, 450, and 571.]

NEW YORK, *January 6, 1909.*

WAYS AND MEANS COMMITTEE,
Washington.

DEAR SIR: We beg to point out that paragraph 571 has been misapplied by the custom-house. Human hair drawn to sizes and cleaned has been passed under the free list, and the 20 per cent duty for hair in paragraph 429, which reads, "Human hair, cleaned and drawn, but not manufactured," has only been applied when the hair was (besides being cleaned and drawn to size) also turned.

We think the wording of the tariff should be made so that no misapplication would be possible. We understand that the object of the tariff was to protect American labor.

We suggest that the new tariff provide as follows: Human hair, raw, uncleaned, free; human hair, drawn, cleaned, and turned, 25 per cent; and then to insert a new paragraph as follows: "Human hair, cleaned, drawn, but not turned, 15 per cent."

Yours, truly,

E. & H. LEVY, *Importers.*
E. LEVY, *President.*

FUR-FELT HATS.

[Paragraph 432.]

STATEMENT MADE BY JAMES MARSHALL, FALL RIVER, MASS.,
REPRESENTING FUR-HAT MANUFACTURERS.

SATURDAY, *November 28, 1908.*

MR. MARSHALL. If the chairman please, I am here to represent the manufacturers of fur hats, and my name is James Marshall.

I have here a brief which I should like to file, and then I desire to make a few remarks, if the committee please.

THE CHAIRMAN. You may proceed, Mr. Marshall.

MR. MARSHALL. I represent practically all the fur-hat manufacturers of the United States. Our industry does not have the advantage of having the raw material close at hand. On the contrary, about everything we use originates abroad, and the foreigner has the advantage of having it close at hand, and he also has the advantage

of cheaper labor. So deeply were the manufacturers of hats impressed, that for the first time in many years they came together and with one accord desired to be heard before you and to show you the necessity for increasing the duty.

Mr. GRIGGS. Are you a manufacturer of furs?

Mr. MARSHALL. Fur hats.

Mr. GRIGGS. Fur hats?

Mr. MARSHALL. Yes, sir. What alarms us most is the steady increase of importations under the present tariff. During the years it has been in force there has been a gradual increase, just like a pair of stairs. During this last year of depression we have had in this country there have come into this country in imported hats four times the number that did come in under the first year of the tariff and more than any other year. Our factories have been closed, a great many of them, awaiting work.

We felt that it was absolutely necessary to present to you gentlemen the facts, and we went to the expense of sending a representative abroad, and he is abroad now, but he has sent back to me the facts and figures he has gathered so far.

There is no trust, no combination, or anything of that sort in our business, but the fiercest sort of competition exists. Outside of a few notable exceptions, working under a well-advertised trade-mark, a fair return of profit has been made, but the profits have been small and do not afford a proper return on the investment.

Mr. GRIGGS. Do you manufacture fur caps or hats?

Mr. MARSHALL. Derby hats and soft hats, such as you are wearing, probably.

Mr. GRIGGS. I wear felt.

Mr. MARSHALL. That is the same thing. They are made of rabbit fur and hare fur.

Mr. GRIGGS. Do you want an increased duty?

Mr. MARSHALL. Yes, sir; such increase as we can show, by the facts at hand, we deserve. In the last ten years there has been going on in Europe a gradual decrease in cost, just as you have heard from other industries here. They have gotten our machinery and our methods, and have gradually decreased their manufacturing cost in the last ten years.

Mr. GRIGGS. Does not that go to prove that a protective tariff long continued tends to inefficient workmanship?

Mr. MARSHALL. Not at all.

Mr. GRIGGS. Why is it they are surpassing us, then?

Mr. MARSHALL. Because in those days we were having to do something to bring our cost down, and used our ingenuity and invented machines for doing that work, and now they have copied those machines.

Mr. GRIGGS. Can you not use your ingenuity and invent more machines?

Mr. MARSHALL. We are going to try to do so, but there comes a limit, understand me, as you go on.

Mr. GRIGGS. Let me suggest this: A great argument which has been used here before this committee has been that the people of Belgium for generations, back as far as the great-great-great-great-grandfathers, have made certain things, and therefore the experience

of those ages in making those things makes Belgium workmen so much more efficient than ours in that particular line. Now you say that those people are coming over here and copying our methods and beating us in that line?

Mr. MARSHALL. Beating us because they have cheaper labor. What has been going on in the United States while they have been doing that is this: There has been a gradual increase in the price of labor—and that ought to be the fact. Workmen have gradually gone on so there has been an increase of 30 per cent almost, and having educated our workmen up to that plane of living and to that amount of wages, I do not think it is wise to batter them down at this late day. On the other hand, just what you said about Belgium has been going on there, and they have not received any more wages, and do not expect any more, and when you combine that with our machinery you have an advantage that is too great for us to overcome if we are going to maintain our standard of wages here.

Mr. GRIGGS. We ought to stop the sale of machinery abroad?

Mr. MARSHALL. Not at all; not at all. We have built up these industries under the idea of protection to what? To American labor. We have gone on increasing wages, believing now you are going to look forward and not backward. For instance, anything you establish now we have to look forward to for years and years.

The duty varies according to grade. It is divided into \$5 and under, \$2 a dozen and 20 per cent ad valorem, and so on up the scale.

Mr. GRIGGS. That is \$5 per hat?

Mr. MARSHALL. No; hats of \$5 a dozen and under, and it varies all the way up the scale.

Mr. GRIGGS. You know everybody wears a hat.

Mr. MARSHALL. I hope so. I sometimes have thought they did not.

Mr. GRIGGS. Well, they do.

Mr. COCKRAN. Perhaps you think they wear them too long?

Mr. MARSHALL. I think they do.

Mr. COCKRAN. You tell us we are to look forward. The thing we are to look forward to is the constant increasing of the rate of duty, is it not?

Mr. MARSHALL. Not at all, because the increase you make will be unchanged for a few years.

Mr. GRIGGS. When you make another machine that is better than that you have always sold to the foreigner, he will come and copy it?

Mr. MARSHALL. We are pretty nearly at our limit on machinery.

Mr. COCKRAN. You say the foreigner is reducing the cost all the time, and therefore the only alternative you offer us is steadily increasing the rates of duty?

Mr. MARSHALL. No, sir; but increasing them enough whenever you find occasion to give protection to American labor. If we can not make out a case and can not show you the actual figures which indicate the need for it, then certainly we do not deserve it.

Mr. COCKRAN. You told us that at one time your ingenuity—

Mr. MARSHALL. I did not say my ingenuity.

Mr. COCKRAN. Well, I will say our ingenuity, as a national ingenuity. You said that our ingenuity has been able to keep the cost of production down in this country so you were able to compete at the very liberal rates of taxation which are now imposed. Do you

not think you do yourself faint justice when you come to us and give us to understand that ingenuity is exhausted?

Mr. MARSHALL. I do not say it is exhausted.

Mr. COCKRAN. If you have the ingenuity to bank on——

Mr. MARSHALL. There is a limit to human ingenuity.

Mr. COCKRAN. Do you think so?

Mr. MARSHALL. I rather think so.

Mr. COCKRAN. Not as to hatters?

Mr. MARSHALL. Well, I hope not.

Mr. COCKRAN. You have two means of carrying on your industry. One is to improve your production and the other increase the taxation. In one case the community has to pay tribute. If you tax them by increasing the rate of duty, they have to do that.

Mr. MARSHALL. The amount we ask would not be such as would be felt by the average purchaser who wears a hat.

Mr. COCKRAN. It is something that would do a great deal of good to you?

Mr. MARSHALL. It would do us a great deal of good in this way: What we feel most is not the importation as it exists to-day, but the constantly increasing importation that is going on. For instance, under the first year of the present tariff 5,000 dozens were imported, and there has been a gradual increase until in the last year 21,000 dozens were imported—enough to run a good-sized hat factory.

Mr. COCKRAN. One factory?

Mr. MARSHALL. Yes, sir. If that increase continues to go on that is what we fear.

Mr. COCKRAN. Looking at how your product has increased in the meantime, it has increased out of all proportion to that.

Mr. MARSHALL. I do not think so. No, sir; I do not think it has increased four times.

Mr. COCKRAN. The total increase of the foreigner is just the product of one factory?

Mr. MARSHALL. To-day?

Mr. COCKRAN. In ten years, and it is 252,000 hats.

Mr. MARSHALL. It is about 21,000 dozen.

The CHAIRMAN. Gentlemen, there are 42 names on this list. Is it worth while to go into all these details?

Mr. COCKRAN. I think it is.

Mr. HILL. Have you some samples there that you desire to show to the committee?

Mr. MARSHALL. Yes, sir.

Mr. HILL. I suggest you show them to the committee and perhaps it will illustrate what you mean.

Mr. MARSHALL. What we fear now is new competition starting up in the last year.

Mr. COCKRAN. As matters stand, you are able to figure for yourselves, but you are afraid competition may grow in the future?

Mr. MARSHALL. We know it will grow.

Mr. COCKRAN. As to the future, it is difficult to speak with knowledge.

Mr. MARSHALL. We can only judge that by the past, and the past has shown this in what we call the popular-price hat. Previous to

that time, it was only these hats that style make, that always come in anyway, but now the popular-price hat is commencing to come in.

Mr. COCKRAN. I am quite correct in saying at this moment you are able to maintain your industry, am I not?

Mr. MARSHALL. No, sir; we are not in on this popular-price hat at all.

Mr. COCKRAN. Are you losing now?

Mr. MARSHALL. We will lose. We have lost this past season. We have lost because the Englishmen can offer a thousand dozen hats of this one style alone, which sells for \$2. That hat sells at \$2, and that is a popular-price hat. Now, they have commenced to put this in, not by the few dozen, but by the thousand dozen.

Mr. CLARK. What is the money output of fur hats in the United States?

Mr. MARSHALL. The last I knew it was about \$36,000,000.

Mr. CLARK. And the imports in 1907 amounted to about \$225,000?

Mr. MARSHALL. Yes, sir. With reference to this line of popular-price hats, they have commenced in the last six months to rush in hundreds of dozens of those at once. What will they do if we do not check them?

Mr. CLARK. You do not have enough to supply the market?

Mr. MARSHALL. We have been closed down, ours being an industry which does not give steady employment.

Mr. CLARK. If the Government can only get \$232,000 of revenue out of the hat business, with the rates ranging from 45 to 55 or 60 per cent, how is the Government ever going to get sufficient revenue to run itself?

Mr. MARSHALL. Because we pay on our raw material anywhere from 20 to 50 per cent.

Mr. CLARK. Suppose we cut off all the tariff on raw material.

Mr. MARSHALL. That would not enable us to better conditions. The difference in favor of that hat against what we can make here is \$6.20, and if you cut it off it would only be \$1.97.

Mr. GRIGGS. The difference in cost of making them?

Mr. MARSHALL. Yes, sir. This hat which I now hold in my hand was made in Danbury, to match this other one which I exhibit to the committee, which was made abroad. If you take the whole duty off raw material, we would still be that much in the hole.

Mr. CLARK. How would you be in the hole more than you are now if we take the tariff off raw material?

Mr. MARSHALL. The difference is \$6.20 in favor of the foreign hat, and the duty on raw material is \$1.97.

Mr. POU. How much does that hat retail for?

Mr. MARSHALL. Two dollars. I bought it for \$2. It was not made up for this occasion. Last season up and down Broadway these hat specialists, as we call them, had their windows full of these foreign hats. They had just caught on to how to get them over here, and the European manufacturers had just got on to how to reach them.

Mr. CLARK. Nine hundred and ninety-nine out of every 1,000 Americans do not care a straw whether they are wearing a foreign hat or an American hat. If they had any preference, at the same price, they would rather wear an American hat.

Mr. MARSHALL. I should think so.

Mr. CLARK. How can this infinitesimal competition interfere with it?

Mr. MARSHALL. In the past they have not interfered with it but if this thing continues they will interfere with it.

Mr. CLARK. Why have they not been rushing them in all the time in that way?

Mr. MARSHALL. Because the English manufacturer has not got wise as to how to reach the retail trade and the retailers have not got wise as to how to get them.

There is another thing. A few years ago we had a better protection than the duty itself, and that is the protection that style gives, which condition existed as late as two years ago. Dunlap, Knox, and others brought out a hat of a certain style at a certain time of year, and they keep that just as close as they can until about the day of the opening. The retailers and jobbers throughout the country keep in touch with these, and the manufacturers would have orders for three months previous to the coming out of that hat for thousands of dozens that must be delivered within a short time. The foreigner could not get that hat over to Europe and back quick enough to copy and supply the demand. By the time he got them here the demand for that particular hat would be gone. These hat specialists since then have come in who run chains of retail stores—sometimes as many as 25 of them—and they make a hat of their own choosing. They ignore all these styles, and they can take three months' time and go over there and prepare their hat in England and bring it over here on their opening day and have it all ready to supply the market demand.

Mr. CLARK. Knox charges about two prices for every hat he sells, does he not?

Mr. MARSHALL. I do not think so.

Mr. CLARK. I do, because he charged me two and a half times as much for a hat as I would have had to pay somewhere else.

Mr. GRIGGS. There were 252,000 hats imported last year, and there are 25,666,666 $\frac{2}{3}$ men and boys, all of whom wear hats.

Mr. MARSHALL. I do not think so. Some of them wear caps and things of that sort.

Mr. GRIGGS. Well, they wear some head covering.

Mr. MARSHALL. We can see the increase in this competition abroad, brought about by these hat specialists who will soon have the cream of the hat business, and we know that this thing, unless it is stopped right now, somehow, is going to prove to be very disastrous to us. It is not a question of what has been; it is a question of what will be.

Mr. POW. If you cut them out of this market by a high protective tariff, what will protect the American people against you?

Mr. MARSHALL. Competition among ourselves. Here, for instance, I exhibit to you a hat that sells for \$2, and that is plenty good enough for anybody.

Mr. HILL. I understand that the trade has united together and sent an expert to Europe to ascertain the exact figures, and that you have the exact figures and facts, with the cost of labor and the general cost of manufacture, and the comparative cost of making hats, which are identically like each other in Europe and here?

Mr. MARSHALL. I have here all the data that was sent over by this man.

The CHAIRMAN. Well, file that. We can not spend the time to have it read here.

Mr. MARSHALL. Just one brief statement I should like to make in regard to it.

Mr. HILL. I should like to hear that statement. We spent six hours on one industry, and here is an industry that employs 20,000 people and pays wages of \$11,000,000, and we have a right to hear them for thirty minutes, it seems to me.

The CHAIRMAN. There are 8 or 10 or 12 other people on this same schedule. There are some 40 people on the list for to-day who want to be heard from. If you can just as well file that statement, the committee can read it and give it some attention, but now it will simply pass in one ear and out the other. If you and Mr. Hill insist, of course he may go on with it.

Mr. MARSHALL. No; I do not insist. I will just file this and let it go at that.

Mr. GRIGGS. I would like to hear it.

Mr. HILL. I do not insist, only it seems to me as large an industry as this should be given a full hearing.

The CHAIRMAN. I do not want to cut anybody off too short, but I do think we should hasten this matter to a close.

Mr. MARSHALL. This little booklet, or data, which I desire to file with the committee is an agreement entered into by the Manufacturers' Federation and Amalgamated Society of Journeymen Felt Hatters and Trimmers and Wool Formers' Association of England, together with their list of prices as agreed upon between the employers and the employed. This shows the minimum price of labor there, on which they base the earning power of all piecework, varying from 33 to 35 shillings a week.

The minimum prices of the United Hatters of America is \$18 per week—\$18 per week as against \$8.40 abroad. This agreement is in force to-day.

Mr. GRIGGS. Will you allow that to be published in the record, Mr. Chairman?

The CHAIRMAN. I have asked him to do that. I have no power to compel it.

Mr. MARSHALL. I shall be very glad to file it. I also desire to leave these sample hats with the committee.

Mr. GRIGGS. I am afraid they will not fit me.

Mr. MARSHALL. If the committee will give us what we ask, we will make halos for all of them.

The CHAIRMAN. Do you use alcohol in making these hats?

Mr. MARSHALL. Yes, sir.

The CHAIRMAN. Do you use the denatured alcohol?

Mr. MARSHALL. Yes, sir. The wood alcohol is worth 70 cents a gallon. Our denatured alcohol is now bought for 46 cents a gallon, and if you gave us alcohol free, it would make a difference of 21 cents a dozen. That is all the total alcohol cost is, 21 cents a dozen hats, in making a dozen stiff hats like these samples. In the manufacture of soft hats we do not use any alcohol.

Mr. GRIGGS. I want to suggest to you that I desire to postpone my halo as long as possible.

Mr. CLARK. I want to suggest to the witness that he never yet has stated what he wants.

Mr. MARSHALL. It is stated in this brief which I shall file, but which I did not desire to read.

Mr. CLARK. Go on and file your brief then.

Mr. MARSHALL. We want a rearrangement of the duty. For instance, there is no such thing as \$5, \$10, or \$20 hats. They run in multiples of twelve—six, nine, eighteen, and up. It ought to be rearranged on that basis. We ought to have just enough increase of tariff to compensate us for the difference between labor and the duty on materials we use—that is, the advantage the foreigner has over us. As I have stated roughly, this amounts to about \$1 a dozen advance, and 10 per cent ad valorem advance over what we have.

JAMES MARSHALL, FALL RIVER, MASS., REPRESENTING VARIOUS FUR-HAT MANUFACTURERS, FILES BRIEF ASKING FOR AN INCREASED DUTY ON FUR HATS.

WASHINGTON, D. C., *November 28, 1908.*

HONORABLE WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: Despite the fact that there seems to be a general opinion that most of the industries of the United States can get along with less protection than they have been having, and while it may be more or less unpopular to ask for an increase over the present rate of duty, yet it is of such vital importance that we should ask for an increase, that for the first time in many years practically all of the fur-hat manufacturers have come together and with one accord ask that they be given such increase as they may be able to show, by the actual facts presented, that they need.

When the tariff bill of 1897 was under consideration, those having it in charge placed the duty so as to give protection such as they found was then needed, but there was one other protection that existed then that evidently no account was taken of, and that was the inability of the foreigner to get American styles to this market quickly enough to be of use, and I will touch upon this at more length later.

The principal change, however, that has taken place in the last ten years has been the gradual and steady advance in the cost of labor in this country (and it certainly is not desirable to lower the standard of wages that has been thus established).

It is equally a fact that the cost of labor in Europe is less by considerable to-day than it was ten years ago, mainly because of the introduction of American machinery, American methods, into their factories, which, together with the cheaper labor, has enabled them to more than successfully compete under the present tariff.

Right here I would like to illustrate by just one example the difference that actually exists in labor. The United Hatters of North America establish a minimum of \$18 per week at which a man may be hired, and upon which all piecework prices are based as to earning power. In England (that has the highest priced labor in the hatting industry of any country with which we compete) the Amalgamated Society of Journeymen Felt Hatters have established a minimum of 33 shillings to 36 shillings per week—about \$8.40—more than one-half less than the price established here. Therefore it is very desirable that the protection that you afford now be enough to thoroughly

protect the labor interests, for any reduction (or even if the present rate of tariff is maintained) would mean that we sooner or later would have to meet European competition, and that even though we get our materials at a lower price this in itself would make but little difference—the manufacturers would be forced to lower the only flexible item they have in their costs, and that is their labor costs, and it would have to be lowered enough to meet such competition. Consequently labor needs the protection perhaps more than manufacturers.

Taking up the question of the protection that was afforded by American styles ten years ago, for instance:

In those days it was the general practice of retailers and jobbers throughout the country to copy the styles of the leading hatters each season. That is, the Dunlap, Knox, Young, Youman, Miller, and sundry other leaders of fashion would then and do now bring out a certain style on a certain date, it being their hat for the season, and jobbers and retailers would place their orders for these styles months in advance, with the understanding that they be delivered within a very short time of the date of the coming out of said style. Under these circumstances it was almost impossible for a foreign-made hat to be rushed into the market quickly enough to fill the demand and, as a result, manufacturers and labor were protected by this to a much greater extent than by the duty itself.

The day of this has passed, however, and there has come into the hatting business a new class that is catering to the public for patronage, known as "hat specialists." They run chains of retail stores, some of them having as many as twenty-five or more in various cities, and this way of reaching the public is increasing. It has been developed more perfectly in the last two years, perhaps, than in the whole previous ten, and the result of this is that these specialists bring out a hat of their own choosing as their hat; therefore, it is within their power (and they do it) to start months in advance to get out the hat, to have it ready for instant delivery at the date of opening. These specialists, sharp, bright business men, were not slow to discover that foreign-made hats were better at the price than they could obtain a domestic-made article for. They also were not slow to know that there was, and is, a certain amount of prestige that goes with an imported hat, and, as a result, they started in to work this thing, and in the end will work it to the very limit. Several of these hat specialists this last season were displaying foreign-made hats almost entirely in their windows. The importations of one alone in New York City has gone into the hundreds of dozens this season, and it is reasonable to suppose that those who have not done so as yet will not allow their competitors to enjoy this advantage alone very long.

It is also reasonable to expect that the larger of the foreign manufacturers (and, by the way, at the heads of these establishments abroad are brainy, bright, industrious men, ready to seize any opportunity to increase their business), therefore, it is reasonable to suppose, seeing what one or more of their competitors are doing, will not be slow to press the sale of their own hats, so if nothing is done to advance the present rate of duty, you may be sure we will find a repetition of what has been going on the last ten years.

For instance: Nearly each year under the present tariff has seen an increase in the importations of hats, so that a comparison of the figures looks like a flight of steps, each year going one step higher in the number of dozens imported, and remember, gentlemen, every hat

covers a head, and it is the dozens that count. If this same increase goes on, as it surely will, the results are sure to be disastrous. Even this year, when there existed the depression in domestic affairs, many of our factories closing down for lack of orders, there were imported into this country more than three times the number of dozens that were imported under the first year of the present tariff, and this year of depression represents the highest number of dozens imported into the country in a great many years.

There is no trust or combination of any sort in the hat business. Conditions do not, nor will they, admit of it. The interests are so diversified, the competition is so keen, that the public is bound to get in the future, as it has in the past, the benefit of this by obtaining the product of these factories at the lowest possible price.

The profits of the business as a whole are very small. True, there are some notable exceptions where under a well-advertised trade-mark a reputation has been built up, so that the manufacturer can ask, and does get, a good, fair margin of profit because of his reputation, but as a rule the business is conducted on a very close, narrow margin, and the hat industry at its best does not give steady employment to those now engaged in it.

There is also another disadvantage that we labor under, and a very serious one when we compare ourselves with foreign manufacturers, and perhaps it illustrates more than anything else that there is no industry in this country that better shows that labor is getting its share of profits.

For instance, it has been mentioned that the minimum price per week is set as a basis of the earning power. This, however, is only for the lowest-priced hat that is sold. If a dozen hats are sold at \$12, then labor gets so much per dozen for the work on this particular grade, and although it is practically no more work in any way, as far as labor goes, to produce a hat that is sold at \$15 a dozen, yet labor gets just so much more in proportion to the selling price, and so on all the way up the scale.

In other words, a scale of labor prices is fixed—so much for a hat selling at \$12, so much more for one selling at \$15, so much more for one selling at \$18, so much more for one selling at \$24, etc.; always increasing in amount, as the selling price of the article increases.

It is not so with foreign manufacturers; practically all hats look alike to the laboring man, no matter what price they are sold at, and as the amount for labor is based on the actual amount of labor expended on the hat, irrespective of what it is sold at, this enables the foreign manufacturer to use very fine material in almost any grade, and his labor cost being practically the same, enables him to produce a more slightly article than it is possible for manufacturers to produce in this country at the same price.

Believing that the boy with his fact is mightier than the philosopher with his theory, we submit for your inspection an object lesson. We have bought at retail (and any of you can do the same) a popular-priced hat, marked "Exhibit A." We paid for this \$2. This is a foreign-made hat. This hat cost the retailer, after paying all duty, freight, and other charges, \$15.80 per dozen. This hat is very much more slightly than anything that can be produced in this country at this price, but to illustrate what can be done we have shown "Exhibit B," a hat made in Danbury, that would be sold to the retailer at this same price at wholesale. Then, again, we have made a hat in

Brooklyn that, in our judgment, is as good in quality, in every way, as the foreign-made hat, and which would sell at retail at not less than \$3, and we have marked this "Exhibit C." We also give you a table illustrating what it cost to make these three hats, and, gentlemen, these prices are not made up for the occasion. So deeply were the hat manufacturers of this country impressed with the necessity of bringing this matter very forcibly to your attention; so deeply were they impressed with the idea that you must have facts and not guesswork upon which to build a tariff, that they have gone to the expense of sending the very best man they could think of to Europe to investigate conditions as they exist and report back nothing but the actual facts he found. Mr. Dammann presents these.

For while we already knew from personal investigation of some time ago just what were the conditions then (one of our manufacturers having made it his special business ten years ago to find out exactly what was going on by personal observation, visiting all the larger hat factories in England and on the Continent), we did not think it fair to give these figures as facts now without further confirmation on our part. Therefore the figures that we present to you are the results of these investigations, both then and now, and are the plain, unvarnished facts.

Perhaps we can best illustrate how great a part the adoption of machinery, together with the cheaper labor, plays in the manufacture of hats, by quoting from a letter from our representative sent from Manchester, England, within the last few weeks:

There is one thing I can not help remarking now, and that is, as far as the use of machinery is concerned, am afraid we are so far behind that we will never catch up. One firm (and this is the firm that furnished the hat that we are exhibiting) stiffens on an average 2,200 dozen hats a week, with the labor of 5 boys, at a total cost of not more than, say, \$15 to \$20 a week.

What does this one item mean? It means that this one firm there has gotten its costs down on stiffening to practically 1 cent per dozen, whereas the cost in this country averages from 12 cents to 18 cents a dozen. This is an extreme illustration, but is not the only extreme illustration of the difference in costs that can be given to you.

Another thing, gentlemen, I desire to call your attention to—the advantage of having raw material close at hand, thus avoiding freight and various other advantages that some industries enjoy in this country is almost exactly reversed with us. The foreigner enjoys this advantage, and rest assured he uses it to the very limit.

Another thing our representative was instructed to do was to verify the price of this particular hat we exhibit, for so much were we stirred with the incoming of this fresh competition that we believed there must be an undervaluation.

So far from proving this to be a fact, our representative finds, as he writes:

Not only can and does the manufacturer make the hat at the price he invoices it, but there is absolutely no question, with the stunts he can do with his labor and machinery, of his being able to continue.

You will note that in all of the above and in our comparisons nothing has been said about the competition that comes from Belgium, Austria, France, and Italy, all of which ten years ago showed that they had their labor costs at considerably less than those in England, and no doubt all of them to-day will show very much lower costs, but our representative has not had time to arrive back with all of this

data, and it being our desire to present only such as we knew to be absolute facts, we have refrained from stating any comparisons along these lines.

Another thing, we also have refrained from saying anything about the free employment of boys, youths, and so forth, all of which is practically unrestricted abroad, and nothing has been said about their allowing (as they do) double the number of apprentices in union factories that they do here. We feel that our case is strong enough without going into all this detail.

Gentlemen, the crisis is so great in the hat business to-day we feel it is our absolute duty to ask in all fairness that the tariff be increased and increased sufficiently to give protection to American capital and to American labor.

We therefore ask, first, that the division that was made into the various grades in 1897 be changed. For instance, there is no such thing as a \$10 hat—although our tariff reads \$5, \$10, \$20—there are no such grades of hats. For instance, hats run \$4.50, \$9, \$12, \$13.50, \$16.50, \$18, \$24, and so forth, in multiples of 12 and not multiples of 10. It is our desire that the division be \$4.50 and under, and that the next be \$9 and under, and that the next be \$18 and under, and then all above \$18. We ask this because the very hat we fear the most is now coming in slightly under the \$10 mark, so as to save the extra \$2 of duty.

It is very difficult for us to prove an undervaluation of 1 shilling or 2 shillings. It is not very difficult for us to prove a difference of a whole grade. In other words, a man might wiggle his \$10.50 hat in under the \$10 clause, but he could not wiggle it in if we established the division at \$9. The difference would be plainly apparent, and the same is equally true of the other grades we ask for.

Finally, we ask the committee that Schedule N, section 432, be amended as follows:

	Per dozen and 30 per cent.
Valued at not more than \$4.50 per dozen, rate of duty-----	\$2.00
Valued at more than \$4.50 per dozen and not more than \$9 per dozen----	5.00
Valued at more than \$9 per dozen and not more than \$18 per dozen-----	6.00
Valued at more than \$18 per dozen-----	8.00

	Foreign hat (made in Den- ton, England).	American hat, same whole- sale price as foreign hat (made in Dan- bury).	American hat, same quality as foreign hat (made in Brooklyn).
	Per dozen.	Per dozen.	Per dozen.
Labor-----	\$2.51		\$9.86
Material:		\$6.84	
Fur-----	\$1.81	\$1.96	\$2.37
Leather-----	.63	.86	1.00
Band and binding-----	.88	1.32	1.34
Satin-----	.67	1.00	1.20
Shellac-----	.50	.54	.54
Alcohol-----	.18	.21	.21
Dyestuff-----	.07	.10	.12
Chemicals-----	.03	.04	.04
Wire-----	.03	.06	.08
Boxes and cases-----	.50	.70	.70
Miscellaneous-----	.30	.30	.51
Overhead charges-----	5.63 .35	7.20 .05	8.14 1.10
	8.49	14.69	19.10
Difference in favor of foreign hat-----		6.20	10.61
Present duty on foreign hat-----		5.00	5.00

[The Felt Hat Manufacturers Federation and Amalgamated Society of Journeymen Felt Hatters and Trimmers and Wool Formers' Associations.]

LIST OF PRICES FOR WOOL AND FUR HATS.

Wool hat body making.

Wool forming:

Up to and including—	Per dozen.
2 ounces-----	pence 1½
2½ ounces-----	do 1½
3 ounces-----	do 2
3½ ounces-----	do 2½
4¼ ounces-----	do 3
5 ounces-----	do 3½

To rise one-half penny per dozen for each ounce over 5 ounces. One-fourth penny per dozen to be deducted from above prices to pay to the feeders.

Wool hardening (cup and cone) :

Up to and including—	Per dozen.
2½ ounces-----	pence 2½
3½ ounces-----	do 3
3¾ ounces-----	do 3½
3⅞ ounces-----	do 3½
3⅞ ounces-----	do 3½
4½ ounces-----	do 4

To rise one-half penny for each additional one-half ounce. Dyed wools, one-half penny per dozen extra.

Wool hardening (flat) : One-fourth penny per dozen over the price for cup and cone. Fine wools, one-half penny per dozen extra. Dyed wools, one-half penny per dozen extra. Straight shapes, either level or brimmed hats, one-fourth penny per dozen extra. The term "straight shape" to mean where the depth of the hat exceeds two-thirds of the width when hardened.

Twisting and stretching: Piece price to be arranged between employer and employed.

Wool hand planking: Up to and including 2¼ ounces, 1 shilling 7 pence per dozen. Two pence per dozen extra for each additional one-fourth ounce or part thereof. If settled and carbonized, 1½ pence per dozen less. Minimum weekly wage, hand or machine, 33 shillings for fifty-six hours. All wool hats planked outside to be paid 1 penny per dozen extra to inside price.

Youths up to 16 years of age are not counted as apprentices upon settling machines. Free labor allowed upon bumpers.

Fur hat body making.

Fur forming:

Up to and including--	Per dozen.
2½ ounces-----	pence 2½
3 ounces-----	do 2½
3½ ounces-----	do 2¾
4 ounces-----	do 3

One-fourth extra spray brink forming. To rise one-fourth penny for each additional one-half ounce. One-fourth penny extra if one-half wool and one-half fur. One-half penny extra if two-thirds wool and one-third fur. Or by weekly wage at not less than 35 shillings for fifty-six hours.

The above weights to include compo.

Fur hardening: Up to and including 2½ ounces, 4 pence per dozen.

To rise one-fourth pence for each additional one-half ounce. One-half pence extra for one-half wool and one-half fur. One pence extra for two-thirds wool and one-third fur. Shells, 6 pence. Pullovers, 7 pence. Or by weekly wage at not less than 35 shillings for fifty-six hours.

The above weights to include compo.

Hand planking: Up to and including 2¼ ounces (per dozen), for lowest qualities, 2 shillings 8 pence; next quality, 2 shillings 9 pence.

Then to rise 3 pence per one-fourth ounce and 3 pence per quality. Three pence per dozen to be deducted from above prices for hats that are to be second sized.

Staining: Drabs, 4 pence per dozen; other shades, 6 pence per dozen.

All fur hats planked outside to be paid 2 pence per dozen extra to the price paid for the same work when done inside.

Stumping by hand, not exceeding 1 inch, 1 shilling per dozen. Second sizing after sandpapering, not exceeding one-half inch, 1 shilling per dozen. Second sizing after kuife shaving, not exceeding three-fourths inch, 1 shilling per dozen.

Settling: Piece price to be arranged between employer and employed.

Second sizing outside, 1 pence per dozen extra to inside price.

Hand stumping outside (after machine planking), 1 pence per dozen extra to inside price.

Minimum weekly wage, hand or machine planking, stumping, etc., 33 shillings for fifty-six hours.

Youths up to 16 years of age not counted as apprentices upon settling machines. Free labor allowed upon bumpers.

Blocking—wool, veneered, and fur hats (per dozen).

(Pulled out by hand.)

	Low common wools.	Other wools and veneers.	Furs.	
			Two lowest qualities.	Other qualities.
	<i>Pence.</i>	<i>Pence.</i>	<i>Pence.</i>	<i>s. d.</i>
Round crowns.....	7	8	9½	0 10½
Square crowns.....	8	9	11½	1 ½

(Pulled out by machine.)

Round crowns.....	5½	6	7½	0 8½
Square crowns.....	0½	7	9½	0 10½

Reblocking: Round crowns, wools, 5 pence per dozen; furs, 6½ pence per dozen. Square crowns, wools, 6 pence per dozen; furs, 7½ pence per dozen. All furs over 3½-inch brim, 1 penny per dozen extra.

Soft hats: Up to and including 5 inches deep, wools, 9 pence per dozen; furs, 10½ pence per dozen. Over 5 inches deep, wools, 10 pence per dozen; furs, 1 shilling half penny per dozen. Two pence per dozen less if pulled out by machine. All furs over 4-inch brim, 1 penny per dozen extra.

Framed hats: Pull-downs (pulled out by hand), wools, 4 pence per dozen; furs, 6 pence per dozen.

Tennis hats: Blocked with flat brims (pulled out by hand), wools, 6 pence per dozen; furs, 8 pence per dozen.

Extras: Whizzing (if done by journeymen), 1 penny per dozen; blocking on arched frames, 1 penny per dozen. Odds less than one-fourth dozen, at rate of 1 shilling per dozen.

Pressing.

Wools or furs: Round crowns, 1½ pence per dozen; square crowns, 1¾ pence per dozen; bell squares, 2 pence per dozen. Repressing, one-fourth pence per dozen less than first time. Turned hats, one-half pence per dozen extra. Soft hats, 2 pence per dozen each time. Odds up to and including one-fourth dozen, one-half pence per dozen extra. If plates are used to increase depth of shape, one-fourth pence per dozen extra. Or by weekly wage at not less than 32 shillings for fifty-six hours.

Hard-hat finishing.

(Per dozen.)

	Wools and veneers.			
	Low common wools.	Common wools.	Medium wools.	Best wools and veneers.
	<i>d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Round crowns.....	7	10	11	1 0
Square crowns.....	9	1 0	1 1	1 2

The low common wools to be singed before pressing.

Turned hats, round crowns, 8 pence per dozen; turned hats, square crowns, 10 pence per dozen.

Extras per dozen.

	s.	d.
Fancy colors.....		1
Washing drabs or slates, outside.....		6
Washing drabs or slates, in and out.....		9
Velouring after repressing.....		2
Clearing.....	1	0
Capping.....		1
Brushing (if done by journeymen).....		1
Steaming flexible or hard, round or square.....		8
Steaming odds, less than one-fourth dozen.....	1	0

Carded hats to be 3 pence per dozen over above prices for black hats.

Furs per dozen.

Lowest quality, round crowns.....	1	3
Lowest quality, square crowns.....	1	5
Other common qualities, round crowns.....	1	4
Other common qualities, square crowns.....	1	6

Other qualities to rise as per lists issued.

Turned hats, round crowns.....	10
Turned hats, square crowns.....	1 0

Extras per dozen.

	s.	d.
Washing drabs or slates, outside.....		6
Washing drabs or slates, in and out.....		9
Steaming flexible or hard, round or square crowns.....		9
Steaming flexible or hard, round or square crowns, less than one-fourth dozen.....		per hat 1
Velouring after repressing.....		3
Clearing.....	1	0
Capping.....		1
Brushing (if done by journeymen).....		1

Lounge or tennis finishing.

(Per dozen.)

	Wools.	Furs.
	<i>s. d.</i>	<i>s. d.</i>
Steaming and cutting.....	1 0	
If finished.....	2 0	2 6
Turban-shaped brims up to and including 2½ inches broad and 5 inches deep in crown.....		2 6
Flat-shaped brims up to and including 2½ inches broad and 5 inches deep.....		2 6

To rise 6 pence per dozen for each additional one-half inch in brim or one-half inch in crown or part thereof; this to operate singly or jointly respecting width or depth.

All hoods must be tennis strength and the hats without curl, with the exception of the drawband mark.

Machine curling and ironing, wools or furs.

	Wools.	Furs.
	<i>Pence per dozen.</i>	<i>Pence per dozen.</i>
Curling on flat, anglesey or rolls.....	1½	1½
Curling, ironing, and flattening anglesey by machine.....	2	2½
Curling, ironing, and lifting anglesey curls.....	2½	2½
Curling and ironing rolls.....	3	3½
Curling pagets.....	1½	2
Curling and ironing pagets.....	2½	2½
Curling set hats.....	2	2½
Curling bevel brims or turn backs, set hats.....	2½	2½

Or by weekly wage, at not less than 32 shillings for fifty-six hours.

Soft and framed hat finishing.

(The term "soft hats" to mean any hats not to be framed either by hand or machine.)

Soft hats, up to and including 4½ inches deep and 3½ inches broad. Wools: 1 shilling 9 pence per dozen. Furs: First quality, 2 shillings 6 pence per dozen; second quality, 2 shillings 9 pence per dozen; third quality, 3 shillings 3 pence per dozen. To rise 3 pence for each additional inch in depth or half inch in breadth.

Prices of other better qualities of furs to be arranged between employers and employed. Above prices include dry ironing in furs.

Water-ironing crowns, 3 pence per dozen extra; water-ironing crowns and brims, 6 pence per dozen extra; arched blocks, 2 pence per dozen extra.

Boys' sailors, up to 3½-inch brim. Wools: First quality, 2 shillings 3 pence per dozen; furs, 3 shillings 3 pence per dozen. Boys' sailors, over 3½-inch brim. Wools: First quality, 2 shillings 6 pence per dozen; furs, 3 shillings 6 pence per dozen. Boys' alpine. Wools: First quality, 2 shillings 3 pence per dozen; furs, 3 shillings 3 pence per dozen. Girls' and ladies'. Wools: First quality, 2 shillings 6 pence per dozen; furs, 3 shillings 6 pence per dozen. Other prices and qualities to be arranged between employer and employed. Infants'. Wools: 2 shillings per dozen. Infants' large shapes. Wools: 2 shillings 3 pence per dozen. All beaver or napped edges, ordinary shapes, 4 shillings per dozen. Other shapes to be arranged between employers and employed. Velouring after trimming in any of above branches (if done by journeymen), 3 pence per dozen.

Men's frames, single curls. Wools: First quality, 2 shillings 9 pence per dozen; furs, 3 shillings 6 pence per dozen. Double curls, turned outside, 6 pence per dozen extra. Double curls, turned inside, 1 shilling per dozen extra. Furs to rise 6 pence per quality. Carded hats same price as sandpapered. Sandpapering inside, 6 pence per dozen. Water-ironing crowns, 6 pence per dozen. Velouring after trimming (if done by journeymen), 3 pence per dozen. Velouring on frame (if done by journeymen), 4 pence per dozen.

Shaping, etc.

	Low common wools.	Wools and veneers.	Furs.
	<i>Pence.</i>	<i>Pence.</i>	<i>s. d.</i>
Ironing and paring.....	9	9	10
Paring after ironing machine.....	3	4	5
Ironing and paring set hats.....		11	1 0
Paring set hats.....	5	5	5
Ironing and paring pagets, roll or anglesey.....		10	1 0
Paring pagets, roll or anglesey.....	4	5	6
Ironing fronts and backs after setting.....		1	1
Machine setting ^a	4	4	5
Velouring.....	1½	2	2
Damp velouring or papering and velouring.....		3	3

^a Setting by weekly wage, not less than 35 shillings for fifty-six hours.

Or by weekly wage as can be agreed between employer and employed.

Extras: Ironing and paring curls over five-eighths of an inch, 2 pence; making rolls or semirolls from anglesey, 3 pence; patching broken curls, 6 pence.

	Wool and veneers.	Furs.
	<i>s. d.</i>	<i>s. d.</i>
Plain shapes:		
Curling.....	8	9
Curling (with brim heaters).....	5	6
Hand shaping:		
Curling, ironing, and paring.....	2 2	2 2
Setting.....	9	9
Velouring.....	3	3

Five-eighths of an inch curls and upward, 6 pence extra. Odds less than one-fourth dozen, 3 pence per hat

Trimming, flexible or hard hats.

	Wools and veners (per dozen).	Furs (per dozen).	Low com- mon wools (per dozen).
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Binding and bracher leathers.....			1 9
If banded by trimmers.....			1 10
Binding, half and half.....	1 3	1 4	
Binding graduated or twice bound.....	1 7	1 9	
Bracher leathers.....	0 6	0 6	
Lashed leathers.....	0 9	0 9	
Cotton linings.....	0 6		
Silk or satin linings (plain, pleated, or cane).....	0 9	0 9	
Diamond.....	1 0	1 0	
Machine-whipped leathers.....	0 7	0 7	

Extras.

Pence per doz.

Wires sewn inside curls.....	1
Wires sewn outside curls.....	6
Ferretting.....	1
Banding.....	2
Elastic and buttons.....	1
Fixing eyelets in linings.....	2
Sewing felt pads under leathers.....	2
Sewing in cork fronts.....	3
Lashing Cape or Persian leathers.....	2
Lashing calf or Russian leathers.....	4
Drawing leathers (if done by trimmers).....	2
Net fastened on vents.....	2
Web and net tips.....	3
All hats requiring over 1-inch binding.....	3

(This to cover either plain or graduated bindings.)

Trimming soft and framed hats.

	Wools.	Furs.
	<i>s. d.</i>	<i>s. d.</i>
Banding, up to and including 2-inch band.....	3	3
Banding, over 2-inch band.....	4	4
Binding, half and half.....	1 3	1 4
Binding (graduated or twice bound).....	1 9	1 9
Bracher leathers.....	7	7
Machine-whipped leathers.....	8	8
Hand-lashed.....	9	9
Linings.....	9	9
Lashing common tennis hats.....	6	
Lashing in satin pads.....	9	9

Fancy bows extra. Other extras same as bard-hat list.

Machine binding, etc.

	Pence.
Slings.....	2
Binding, soft or frame (first row).....	2
Binding, soft or frame (other rows).....	1½
Turnover bindings same price.	
Sewing on bands, per row, top or bottom.....	1½
Running sides, machines steam driven.....	1
Running sides, machines foot driven.....	1½
Running sides, sewn at home.....	1½

The price for binding girls and ladies' hats to be arranged between employers and employed.

James Marshall, representing the following manufacturers of fur hats:

Dunlap Hat Company, Knox Manufacturing Company, J. B. Stetson Company, Lamson & Hubbard, Crofut & Knapp, The Rough Hat Company, E. V. Connett & Co., Thom & Bailey, James Marshall & Bros., J. H. Wolthausen & Co., F. Berg & Co., The Guyer Hat Company, J. Rummel & Co., Thomas Smith Company, M. Metz Company, Longley, Low & Alexander, Samuel Mundheim Company, Ayer, Houston & Co., The Trimble Hat Company, C. B. Rutan & Co., James L. Carr & Co., Crowe, Quinlan & Moore, Federal Hat Company, No Name Hat Company, Frank Schoble & Co., Sigler Hat Company, Hawes, Von Gal Company, E. A. Mallory & Sons, Danbury Hat Company, John W. Green & Sons, Price & Vogt, Green Soft Hat Company, F. D. Tweedy Company, G. W. Alexander & Co., Meeker Brothers, D. E. Loewe & Co., Millard Hat Company, Simon & Keane, A. Shelton Davenport, A. A. Hodshon & Co., Fay, Gorman Hat Company, Judd & Co., Edwin Short Hat Company, Hoyt, Messinger Corporation, Ellor Brothers & Hall, The Union Hat Company, Maxim Hat Works, Norwalk Hat Company, L. Shafarman, Napier & Mitchell, Ferry, Weber & Co., Waring Hat Manufacturing Company, A. Fishman Hat Company, A. M. Rosenberg, M. S. Cornell & Co., Peekskill Hat Manufacturing Company, Leon R. Reizenstein & Co., Beltaire Brothers & Co., H. D. Parmlee & Co., Henry H. Roelofs & Co., C. M. Hedden & Co., John Hendel's Sons, Austin, Drew Company, Delohery Hat Company, National Hat Company, S. C. Holly & Co., C. W. Hendel & Sons, Silberstein, Flexner & Gottlieb.

STATEMENT OF MILTON DAMMANN, OF NEW YORK CITY, REPRESENTING THE FUR-FELT HAT MAKERS.

SATURDAY, *November 28, 1908.*

Mr. DAMMANN. I am here representing the Association of Hat Manufacturers in conjunction with Mr. Marshall, representing practically every manufacturer in the United States. I desire to offer a brief in conjunction with the exhibits which have been offered in connection with Mr. Marshall's remarks, and ask the careful and considerate indulgence of the committee in examining the exhibits in connection with the table therein that they may acquire therefrom a definite idea of the true comparative values of materials plus duties and the difference between the wages in Europe and in this country.

My brief, which I desire to file, is as follows:

141 BROADWAY, NEW YORK CITY,
November 28, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We desire to present to this honorable committee facts from which an intelligent revision of the tariff law now in force can be made, in so far as it affects fur-felt hats, properly classified under Schedule N, section 432, and this presentation is made in behalf of substantially every manufacturer of fur-felt hats, all of whom are part of an association banded together for the sole purpose of presenting in an orderly way the true conditions of the fur-felt hatting industry as it exists to-day.

We are not unmindful of the miscellaneous and indiscriminate statements which have appeared from time to time in the public press regarding the tendency of new legislation to decrease the tariff, as well as the tendency of manufacturers to urge an increase in the duty in the hope of maintaining the present rate. We have prepared this statement in the full belief that if this honorable committee is of the impression that we are entitled to the relief requested we will receive it.

There has been no act of legislation of importance affecting the fur-felt hatting industry since 1897. The duty on fur-felt hats has remained intact, and it is a fair assumption that unless there is a marked change in the political complexion of the United States there will be no further change in the tariff on the finished product of our industry for a long time to come, and we therefore take into consideration the conditions of our industry as it exists to-day and the condition that must inevitably occur if the same industrial situation now existent remains unchanged.

We therefore urge upon this committee two separate and distinct propositions that will relieve what, in our judgment, is a serious menace to a prosperous condition of our industry. First, the present duty on fur felt hats is not sufficient to protect the industry against foreign competition. Second, the classification under Schedule N, section 432, of the act of July 24, 1897, is unscientific, and does not meet the requirements of the industry.

In order that we may present an accurate statement of the true industrial conditions which surround the making of fur felt hats we will subdivide our argument in the support of our belief that the present duty on fur felt hats is insufficient, and we do this because we are firmly impressed that no intelligent revision of the tariff law can be made without all of the facts pertinent to the industry being before the legislative body.

We therefore point out in detail, under the following headings, the conditions as they now exist and as they existed at the time of the passage of the act of 1897:

(1) Comparative labor conditions in the United States and in Europe in 1897 and in 1908.

(2) The comparative trade conditions in the United States and in Europe in 1897 and in 1908.

(3) The importations of material out of which a finished fur felt hat is made.

Comparative labor conditions in the United States and in Europe in 1897 and in 1908.

Prior to the passage of the act of Congress commonly known as the "Wilson bill," the duty on fur-felt hats was an ad valorem rate of 55 per cent, and, under the industrial trade and labor conditions then existent throughout the United States, was ample and sufficient to protect the industry against foreign competition.

Finished fur-felt hats made in this country are divided into several grades, representing the selling price at the factory, and these several grades are recognized and maintained throughout the trade, not by any agreement or understanding, but as the result of a custom produced by manufacturers as a basis of comparative values of their respective products. This classification is generally based upon

the following grades—\$4.50, \$6, \$7.50, \$9, \$10.50, \$12, \$13.50, \$15, \$16.50, \$18, \$24, \$30 per dozen.

For the purpose of the main argument throughout this statement we shall adopt the grade generally known as the \$16.50 grade, inasmuch as it approximates the middle value, being about halfway between the lowest grade and the highest grade of hats manufactured in the United States.

At a time immediately prior to the passage of the Wilson bill the labor cost in the United States on this grade of hats was \$5.10 per dozen, all of which was paid to skilled labor, no less than 20 persons individually contributing some part of the labor to the finished hat. The same hat, manufactured in Europe at that time, cost \$2.71 to produce.

At the hearings before the Ways and Means Committee, preparatory to the amendment of the tariff act then in force and effect, and which resulted in the passage of the act of 1894, facts and statistics were presented to the committee in favor of a retention of the then existing duty on fur-felt hats of 55 per cent. It was not believed at that time that any serious reduction would be made in the tariff on fur-felt hats, and no elaborate preparation was made to present to the Ways and Means Committee all of the facts at the command of the manufacturers, and the bill, as reported to the House of Representatives, showed a decrease in the ad valorem duty from 55 per cent to 30 per cent, a decrease, if it had been permitted to become a law, would, even with the industrial conditions then existing, have been a deathblow to the hatting industry in the United States.

Immediately upon the reporting of the bill a diligent and earnest effort was made to present to both Houses of Congress the true condition of the industry, and as a result of placing before both branches of the Congress the real facts, the bill finally was amended, reducing the duty to 40 per cent, a reduction of 15 per cent, notwithstanding that the duty on other manufactured textile products was cut from 20 per cent to 55 per cent, indicating that even the political party then in power recognized that this particular industry was in need of a large protection.

The act of 1897 restored the duty to an average of 55 per cent, but changed it into a compound duty instead of an ad valorem one, a duty which at that time was sufficient protection, because the duty represented the real difference at that time in labor conditions in the United States and in Europe (they remaining practically unchanged in the three years which intervened between the passage of the acts of 1894 and 1897).

The labor conditions existing at present in the industry in Europe and in the United States have undergone a decided and marked change. There has been a reduction in the price paid to European labor and an increase in the use of improved machinery, and on the other hand the price paid to labor in the United States has materially increased from year to year, so that we are now paying higher wages than at any other period in the history of the industry.

There have been large importations of hats sold in the United States recently in the retail stores at \$2 apiece, a hat sold at wholesale in England at about \$9.75 per dozen. This hat can be landed in the United States, duty and transportation charges paid, at less than \$16 per dozen, and therefore is a competitor of the \$16.50 grade manufactured here. Using this grade as a fair standard of compara-

tive values, we authoritatively state that the labor cost of producing this grade of hat in Europe averages from \$2.40 to \$2.80 per dozen, and the same hat can not be produced in the United States for less than from \$9.35 to \$9.86 per dozen, or nearly four times the labor cost.

The pronounced increase in the price of labor paid in this country has not been entirely voluntary, but has been the result of a united effort of all skilled workmen employed in the making of a hat. Their labor organization, known as "The United Hatters of North America," composed of practically every skilled workman who makes any part of a hat, is a labor organization of unusual strength. Officered by brainy and resourceful men, they have from time to time so increased the price paid to skilled workmen that the margin of profit on the finished product is so small that any further inroad into this profit can not be made. This standard has been set by the labor organizations, and there is no desire on the part of the manufacturers to decrease the rate of wages. The work is most all piecework, and is paid under a regular schedule of prices scaled upward as the value of the grades advance.

In order that the committee may have a proper comparison of the American and foreign product we have incorporated a table of the cost price of three hats built around this same \$16.50 grade.

Column No. 1 is the cost price of a hat made in Denton, England, and sold at retail in large quantities during the past season for \$2 each, and which can be landed at the retailer's door for less than \$16 per dozen.

Column No. 2 is the cost price of the best grade of hat made in the United States that can be sold for \$2 with a small margin of profit to the manufacturer, the hat being sold at \$16.50 per dozen by the manufacturer.

Column No. 3 is the cost price of a hat containing the same quality of material as the hat in column No. 1, and sold to the retailer at \$21 per dozen.

	Foreign hat made in Den- ton, England, and delivered in the United States, duty, etc., paid, at \$16 a dozen.	American hat sold at \$16.50 per dozen.	American hat same quality as foreign hat and sold at \$21 per dozen.
Labor.....	\$2.51	\$6.84	\$9.86
Material:			
Fur.....	\$1.81	\$1.96	\$2.37
Leather.....	.63	.86	1.00
Band and binding.....	.88	1.32	1.34
Satin.....	.67	1.00	1.20
Shellac.....	.50	.54	.54
Alcohol.....	.18	.21	.21
Dyestuff.....	.07	.10	.12
Chemicals.....	.03	.04	.04
Wire.....	.06	.08	.08
Boxes and cases.....	.50	.70	.70
Miscellaneous.....	.30	.39	.64
	5.63	7.20	8.14
Overhead charges.....	.35	.65	1.10
Factory cost.....	\$8.49	14.69	19.10
Difference in favor of foreign hat.....	6.20		10.61
Present duty.....	5.00		5.00
Advantage in cost of foreign hat delivered in United States.....	1.20		5.61

It will therefore be seen that to produce the same hat as the hat manufactured in Denton, England, and sold in the retail stores in the United States at \$2 per piece, will cost the American manufacturer \$10.61 per dozen more to manufacture, and that with the protection of the duty at \$5 per dozen (the rate upon this grade under the Dingley Act), there still remains an advantage in favor of the foreign manufacturer of \$5.61 per dozen.

In comparing column No. 1 and column No. 3, it will be observed that the cost of the material is nearly the same in both tables, differing only in that in column No. 3 is added the duty and transportation charges on the imported material, and the small additional cost between the cost of the domestic materials in Europe and in the United States.

A comparison of column No. 1 and column No. 2 will indicate that the hat made in England and sold at retail in this country for \$2, costs less to produce than the American manufactured hat sold at \$2, and the difference in quality is so apparent that the consumer will have no hesitancy in making his selection, for all of the material is clearly inferior.

It may be observed by an examination of column No. 2 and column No. 3 that it costs decidedly more to manufacture the better grade of hat than the cheaper grade. This is accounted for by the sliding scale of wages paid—each grade costing more to produce, irrespective of the quantity of labor. That the committee may not think that there is a large amount of profit on these particular grades, we call your attention to the fact that none of the tables take into consideration the selling and office expenses of the hat, nor the usual discounts allowed.

We have not made comparisons in other grades because we desire to be as brief as possible, but we state with positive assurance that the same relative difference exists in all grades of hats that can be sold in Europe at \$9 a dozen and over. We are possessed of the prices paid to labor, and we are expert judges enough to recognize the value when we see it.

Before closing this branch of the argument we beg to call attention that to manufacture the grade of hats in column No. 3 in 1897 cost \$6.58 as against \$9.86 at this time, showing that there has been an advance in American labor on this grade of \$3.28 per dozen, while there has been no increase whatever in the price paid to European labor, they maintaining the same wages irrespective of grades. Indeed, at the very time that this statement is being prepared we are in receipt of a cablegram from our representative, now abroad, indicating that the labor in Italy and in Austria is considerably less than paid ten years ago.

We incorporate herein two letters received from this representative (now in Europe). We had hoped that this hearing would not take place until he had an opportunity of appearing before you personally, but as this could not be done we give you the benefit of his communications.

MANCHESTER, *October 27, 1908.*

SIR: Following your instructions I have thoroughly investigated the conditions in Denton and Stockport, which is the center of the industry in England.

Under separate cover I am sending you a printed schedule of the prices which, though dated some years ago, with a few minor exceptions, and those being of a slightly lower tendency are still in force at the present time. How-
t are provided for in the schedule as cover-

ing hand labor are now being done with machinery by unregistered boys, at a wage ranging from 8 shillings to 12 shillings per week. This difference applies principally to the making department, wherein they employ what is known as the multiroller machine, of which there is not a single one in America. These machines have the enormous capacity of about 50 dozen per day, and only require the attention of four of the boys mentioned above. In one of the factories visited five boys of the same class proof an average of over 2,200 dozen per week.

I find that the average wage of those working by the week for the most skilled workman ranges from 32 shillings to 36 shillings, and pieceworkers average slightly less than the amount paid weeklies.

Outside of the large number of free boys which each factory has, they are allowed one apprentice to every five journeymen, who is apprenticed for five years, and during that time only receives two-thirds of his earnings, if he is placed on piecework, and on weekly work he starts then at 8s. 3d., and finally reaches £1. The same labor cost enters into most of the items used, such as leathers, boxes, printing, etc.

The use of machinery is absolutely unrestricted, and all the factories employ automatic tip and brim stretchers, paring machines, crown and brim pouncers, for use on both soft and stiff hats. In the largest soft-hat factory I visited I found that the average soft-hat finisher finishes an average of 18 dozen per day.

The working hours are from 6.30 to 8.30, then a half hour for breakfast, 9 to 1, with one hour for lunch, 2 to 6; or, in other words, ten hours per day, and from personal observation it absolutely means ten hours, as all employees must be in the factory and ready to go to work when the machinery starts, and they do not stop until the machinery stops.

I also am forwarding other interesting documents which explain themselves.

Expect to leave for the Continent on Thursday, and will advise you from time to time as to the result of my investigations.

PARIS, November 5, 1908.

SIR: Have thoroughly investigated conditions in Paris and the factories situated in neighboring cities, and find as follows:

When they have full work, they are required to put in ten hours a day, but it is very unusual to have full employment more than seven months in any year; the balance of the time they do not have over half work. The earnings of skilled mechanics in Paris range from 5 francs to 7 francs a day for full time, while in the smaller cities, where the larger factories are, the earnings are somewhat less. The women employed, of whom there are a great many, when working full time, do not earn over 2.50 francs per day, which they consider extraordinary wages for female operatives in our line. Innumerable boys and young girls are employed, as there are no unions whatsoever in any of the factories or in the trade at large, and their earnings range from 1 franc to 2 francs per day. Of course, the use of machinery is unrestricted, and the production secured is very great.

While I could not get any established figures of profits, I do find that the custom is to draw 6 per cent interest on their entire investments, as well as very liberal salaries, and even then they make an extraordinary percentage of profit on their total sales, in some cases being as high as 30 per cent.

Could not get hold of any schedules of prices paid, as they do not seem to have any. In most of the factories whole families are employed, and have been so for many years, and advances in wages seem never to be asked for or expected.

Also find, compared with prices in America, for all incidentals, such as trimmings, leathers, etc., they bear but a slightly higher proportion than the comparative earnings, the same low rate of wages being paid in the production of all the items enumerated above.

Will advise you as to conditions in Austria at the earliest possible time after my arrival there.

The comparative trade conditions in the United States and in Europe in 1897 and in 1908.

At the time of the passage of the Dingley Act trade conditions in Europe and in the United States were independent of each other, so far as our industry was concerned. The European manufacturers

could not compete in this market because of the radical styles which prevailed at that particular time and of the manner in which those styles were introduced. Established houses in the trade, such as Knox, Dunlap, Miller, etc., were the leaders of fashion, and until their particular styles were set upon the counters of the retail stores, it was impossible to tell what particular style would be in fashion for the season, and immediately after those styles were introduced, retailers would give to manufacturers their orders, patterned after these prevailing styles. Of course we do not desire to go on record as saying these were the only styles adopted or that no hats were ever manufactured until after these leaders of fashion had introduced their styles; but it was a serious condition and one that largely entered into the output of factories and was sufficient protection against foreign competition, irrespective of any duty.

It is obvious that to meet the styles of Knox and Dunlap, etc., the retailer needed a quick delivery of his order, and therefore the European manufacturer could not successfully duplicate these styles in time to place the goods upon the retail counter for the season, and therefore could not enter this market.

This condition of the retail hat market grew less and less every year, until to-day it is positively extinct and each manufacturer introduces his own styles, and the retailer is satisfied to take them and has no leaning toward styles which ape or follow any particular brand. And yet, strange as it may seem, it is this very changed condition which has brought about the serious European competition, so that we are to-day face to face with the proposition that the European manufacturer is not alone a feared competitor for this market, but can undersell us and deliver the goods in as short a time as we possibly can do.

Indeed, an examination of the table of importations since 1894 will conclusively prove that the reduction of the tariff on hats from 55 to 40 per cent in 1894 did not stimulate the importation, but that they remained practically unchanged, and proving that the rate of duty did not enter into the situation, and that even a reduction of 15 per cent did not operate as an inducement to bring the European product in this market, and yet to-day, with an increased duty scaling up to 60 per cent, the importations are increasing to an alarming extent.

There can be no stronger argument presented to this committee of the great danger our industry is facing than an examination of the steady yearly increase in hat importations as shown by the following table:

Fiscal year.	Value.	Dozen.
1894.....	\$137,298	-----
1895.....	133,141	-----
1896.....	117,662	-----
1897.....	92,710	-----
1898.....	93,915	7,636
1899.....	80,250	5,734
1900.....	116,340	8,814
1901.....	103,830	7,054
1902.....	106,064	7,819
1903.....	130,403	9,034
1904.....	119,883	8,817
1905.....	119,323	8,143
1906.....	179,856	14,536
1907.....	233,497	19,194
1908.....	279,563	21,892

It will be seen that there has been a gradual increase since 1899, and this increase reached a climax in 1908, when the importation in dollars and dozens was over four times greater than in the first year of the present act.

Unless we receive immediate relief by a raise in the duty, European manufacturers will fill the market with their commodities and raise a standard of competition that it is impossible to meet. Indeed, that condition now exists, for it is a well-known commercial axiom that the standard of a few is the standard of many. If only 50 dozen hats were imported into this country at a price below American competition, American manufacturers must perforce meet this competition or lose the business, and it is the meeting of this competition that has forced them to place their output frequently in the American market at less than factory cost. The European competition has already set the pace, and it is the measure of this hat and the values it contains that forces us to meet it at this great sacrifice.

The fur felt hat industry represents no small item in the industrial and labor situation of this country. We quote from the report of the Department of Commerce and Labor, published in 1905. This report indicates that hats are manufactured in 17 separate States of the Union, and that the industry represents a combined capital of upward of \$23,000,000, divided into 216 firms and establishments, and that these factories employ over 22,000 wage-earners, over 16,000 being men and over 6,000 women, and most of whom come under the head denominated skilled labor. This report is misleading. There are not 216 hat factories, but less than 90 in the United States. The difference is accounted for by the number of so-called "buckeyes," a trade synonym for small shops connected with retail stores, where a few dozen hats are finished every year. They call themselves manufacturers, although they sell their product in their own stores. Again, in this report, the total product is partially counted twice in many instances, because one factory manufactures the body of the hat and sells it to the finishing factory; therefore, the same body is figured in the production of two factories.

Surely it can not be successfully maintained that our industry is one in which large profits can result, for capital to produce big profits must be turned from two and one-half to three times each year. There is no trust or combination of any kind in the hatting industry, and the trade is to-day, as it always has been, enthralled in the closest of competition. The margin of profit is astonishingly small, varying from 5½ to 9 per cent, surely not a return on an investment that can afford to be reduced or wiped out by foreign competition.

The importations of material out of which a finished fur felt hat is made.

The felt-hat industry is peculiarly a creature of tariff changes, for every single item which enters into the manufacture of a hat is imported, and upon that importation the manufacturer must pay the duty imposed by the tariff, and that duty is tabulated as follows:

	Per cent.
Cut fur-----	20
Silk bands and bindings-----	50
Satins-----	50
Cut leathers-----	35
Skins for hat sweats-----	20
Dyestuffs-----	30

The present tariff rate, if reduced to an ad valorem, would average to about 55 per cent, and it therefore is an easy mathematical calculation that if the cost of our material averages from 20 per cent to 50 per cent above the cost of the same material laid at the factory door of European manufacture, the difference between the duty on the material and the duty on the manufactured product is not sufficient to protect American labor against its foreign competitor. We do not ask for a reduction in the cost of material. The fur out of which a hat is made is all imported, the United States not producing any animal whose fur can successfully be used to make a hat.

The felt-hat industry feels that it does contribute a substantial amount in tariff now by paying a duty on bands, bindings, cut furs, etc., that they use. We also recognize that the foreign manufacturers of these articles have a distinct advantage over the domestic manufacturers, inasmuch as the raw material, such as rabbit and hare skins, silk, etc., all originate on the other side, and having them right at their hand they can, with their cheaper labor, manufacture them up to the point where the hatter uses them at a much less price than they can be manufactured for in this country, and we do not think it fair to ask for protection ourselves without being equally willing to grant it to others.

Relief desired.

We believe we have presented to this committee sufficient reasons to clearly show that it is possible to deliver foreign-made hats at the retailer's door in the United States from 15 per cent to 25 per cent cheaper than to deliver American-made hats. And while it may be true that the records of importation do not show that the amount of hats coming into this country has formed a large percentage of the home consumption, we have read the handwriting on the wall. The agitation for a revision of the tariff and the decided turn in the hatting industry arrived at the same time. Every manufacturer is awake to the importance of the situation, and the retailers realize that with the present rate of duty they can buy the European product at a decided advantage over the American product.

The opportunity presents itself to the Congress to preserve an industry which has reached the ebb tide of its career, not through lack of energy, thrift, or ability, but solely because of commercial conditions existing abroad over which we have no control, and it is almost providential that we have the opportunity of presenting the facts at this time to a committee whose public duty is to inquire into the true economic conditions and to give relief where relief is due, not alone to the consumer, but to the manufacturer, whose years of application and toil and whose capital is threatened by the ruinous competition of a foreign market.

We therefore ask that the classification in the present schedule be changed so as to conform with the trade conditions and recognized grades in this country, and submit the following amendment to the act of July 18, 1897:

Hats, bonnets, or hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, composed wholly or in chief value of fur of the rabbit, beaver, or other animal, valued at not more than \$4.50 per dozen, \$2 per dozen; valued at more than \$4.50 and not more than \$9 per dozen, \$5 per dozen;

valued at more than \$9 and not more than \$18 per dozen, \$6 per dozen; valued at more than \$18 per dozen, \$8 per dozen; and in addition thereto, 30 per cent ad valorem.

Respectfully submitted.

MILTON DAMMANN.

JAMES MARSHALL & BROS., FALL RIVER, MASS., WRITE RELATIVE TO MENACE OF FOREIGN COMPETITION IN THE HAT MANUFACTURING INDUSTRY.

FALL RIVER, MASS., *December 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Supplementing the brief filed in the interest of the fur felt hat manufacturers, would like to add as further proof that we are right on the threshold of importations of popular-priced hats copies of a leading trade journal, showing advertisements of foreign hat manufacturers.

In 1898 (ten years ago) there were but two, and both of these cater to the better class of trade, some of whom do and always will buy foreign-made hats. Five years ago but four, and still those who cater to the better class of trade. Finally, the last issue, showing 12 foreign hat manufacturers advertising, and the majority of these are catering to the popular-priced hat, similar to the one I exhibited before the committee.

Copies of the trade journal of the above dates, showing the advertisements, and with the index marked, are forwarded to the Ways and Means Committee in care of the Hon. E. J. Hill.

A careful study of the importations in these years will also bear out this contention, and it should be a very significant fact that the last year, when the importations of almost every other kind of merchandise fell below normal, that hats increased to the largest number of dozens in any one year of our history.

Will say, further, that we will have further facts concerning the costs of labor abroad and the costs of labor here, and will forward them if the committee so desire.

Yours, respectfully,

JAMES MARSHALL & BROS.
JAMES MARSHALL, *Chairman.*

THE UNITED HATTERS OF NORTH AMERICA ASK FOR INCREASE OF PROTECTIVE DUTY ON FUR-FELT HATS.

NEW YORK CITY, *December 31, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Supplementary to briefs already filed in the interests of those concerned in the fur-felt hat manufacturing, we desire to state that 80 per cent of the fur-felt hat factories of the United States

employ members of our organization exclusively, and the minimum wage of our members is \$20 per week of fifty-five hours. (See p. 26 of our constitution and by-laws.) And this is the minimum basis used to compute all piecework prices.

In the more skilled departments the wages are a great deal in excess of the minimum scale.

We earnestly request that the increased duty asked for by the manufacturers be granted as a protection to our membership.

Sincerely, yours,

MARTIN LAWLOR,
Secretary United Hatters of North America.

INDURATED FIBER.

[Paragraph 433.]

LOCKPORT, N. Y., *November 21, 1908.*

HON. SERENO PAYNE,

Tariff Commission, Washington, D. C.

DEAR SIR: I write this to advise you that this company is already protected by a revenue tariff of 35 per cent, which is satisfactory, and we do not wish to have it changed in any particular. We would thank you to advise us if anything occurs that would cause it to be disturbed.

Yours, truly,

UNITED INDURATED FIBER Co.,
By JESSE PETERSON,
President and General Manager.

JEWELRY.

[Paragraph 434.]

GEORGE R. HOWE, OF NEWARK, N. J., PRESENTS BRIEF IN THE INTEREST OF CERTAIN MANUFACTURING JEWELERS.

NEWARK, N. J., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: The statement for 1905, as per Bulletin No. 54, census of manufacturers of New Jersey, is not a fair average statement and is misleading, from the fact that the year 1905 was phenomenal. The volume of business was larger than was ever known before, and larger than it can remain.

There are also important omissions in these tabulated figures, viz, depreciation on machinery and plant and failure to deduct allowances for salaries to members of firms.

Carter, Howe & Co. are a firm, not a corporation. In making our returns for 1905 no allowance was made for salaries or compensation for services to members of our firm, as would have been the case were

we incorporated. As a very large number of Newark and New York City manufacturers are also firms, this statement doubtless applies to their returns as well.

Ten per cent is the usual allowance for depreciation of manufacturing plants, including buildings, machinery, patterns, etc., but depreciation on machinery, tools, and patterns, as given in Bulletin No. 54 for Newark, should be at least 15 per cent. Adding to this a reasonable allowance for salaries, as above stated, the general profits as implied from data given in Bulletin No. 54 would be reduced by about one-third.

After deducting legal interest (6 per cent) on capital invested and reasonable salaries for members of the firm, each of whom devotes his entire time and attention to the business, the average net profit for the past twelve years in our own business has amounted to 6 per cent scant, on the capital, which I believe to be a fair average in the manufacture of fine jewelry.

There is no trust in the manufacture of fine gold jewelry—anyone who has the necessary artistic feeling and capital can take it up, as has always been done. Every year a number of new establishments are opened, and usually run in the manufacture of a special line, with some degree of success for a few years, when changes of style or the artistic temperament of the manufacturer prevents the making of profit, and causes a reorganization or discontinuance of the business. This insures persistent and ever-changing competition, and holds prices of product on a close margin of profit.

Notwithstanding the increased cost of labor entering into the cost of staple articles, the competition above referred to is so strong that no advance in selling price has been possible. Hence such goods have paid a steadily decreasing profit, and are to-day sold on a very close margin.

Radical changes of style without warning constitute a great menace to the financial success of the manufacturing jewelry business. Because of an unavoidable accumulation of old stock, jewelry out of style is worth only the intrinsic value of the gold and the value of precious stones mounted therein. The entire cost of labor is a loss.

As jewelry is a luxury, it is seriously affected by changes of fashion, and the consumption therefore varies greatly from this cause as well as from financial conditions.

Years ago the majority of women of the country wore earrings. Fashion ruled them out, and the loss on this item turned the profits of many manufacturers into loss, for no other ornament came in to take their place for years.

For three or four years past our women have been wearing short or elbow sleeves, which fashion has created a great demand for bracelets, and has been most important in giving at least partial work to a large number of journeymen during the past year. If it is true that fashion will decree long sleeves hereafter, the demand for bracelets will largely cease, and numbers of jewelers will be out of work until something can be substituted.

It is these continuous changes of style that cause so much uncertainty in returns from the manufacture of fine jewelry.

Foreign jewelry is imported in small quantities only, from the fact that the styles do not suit the American markets, and such articles can be sold only to a limited extent in the large cities.

Our danger consists in German competition. Ever since the Franco-German war Germany has given a great deal of attention to technical training, in which it leads the world. They are almost as expert copyists as are the Japanese. Large jewelry factories have been built at Hanau and Pforzheim. They manufacture exclusive lines for Mexico and the various countries of Central and South America, where they have captured the greater part of the trade, and are now reaching out for our market by sending experts here to work in our factories as ordinary workmen.

Within a week our firm has learned that an expert who speaks several languages, from one of the large German factories, has come to this country to work as a journeyman in American factories, with special instructions to get into the tool room of our own factory, if possible, and work there for a term at any sort of wages. This is doubtless done in order to qualify him to return to Germany, to copy American jewelry and offer it in our own market in competition with American manufacturers.

The Germans have splendidly equipped factories with much American machinery, and with the highest type of skilled labor, at one-half what we pay for such skill, could embarrass us if present tariff rates were lowered.

Fine gold jewelry where there is hand work involved costs about one-third for gold and two-thirds for labor. Thus, if an article costs \$15 in our factory, \$5 would be for gold and \$10 for labor. This same article could be produced in Germany for competition in our market at \$5 for gold and \$5 for labor, making a cost of \$10, which is brought up to \$16 by the addition of 60 per cent duty. Thus it is evident that our present rate of duty is not excessive, and any reduction must result in a corresponding reduction in the cost of labor, with its attending ills.

In consideration of the above facts, as the representative of the manufacturers of fine jewelry in Newark, N. J.—the center of production of fine jewelry in this country—and of the manufacturers of fine jewelry, members of the New York Jewelers' Board of Trade, I would, in their behalf, most respectfully request that no changes be made in the present tariff in so far as solid or fine jewelry is concerned.

Respectfully submitted.

GEORGE R. HOWE.

THE NEW ENGLAND MANUFACTURING JEWELERS' AND SILVER-SMITHS' ASSOCIATION ASKS FOR A DEFINITE INTERPRETATION OF THE WORD "JEWELRY."

PROVIDENCE, R. I., *December 1, 1908.*

Hon. S. E. PAYNE,

Chairman Committee on Ways and Means,

Washington, D. C.

DEAR SIR: We respectfully suggest that paragraph 434 of the present tariff be so amended that it will contain a comprehensive interpretation of the word "jewelry." All existing erroneous classifications of this commodity—whether made of precious or base metals—will thereby be precluded, to the effect that the Government in the future may not be defeated in collecting the proper ad valorem

duty, as intended, by whatever measure adopted, and that the domestic manufacturer may receive fair protection, commensurate with the difference between the cheap labor of Europe and the proper wage of the American artisan.

A brief, setting forth concisely the contentions of the members of this industry, is being prepared, and will be submitted to your honorable body at the earliest practicable moment.

Yours, very truly,

New England Manufacturing Jewelers' and Silversmiths' Association: Henry G. Thresher, chairman; Harry Cutler, Chas. T. Page, Edward A. Sweeney, Samuel M. Einstein, Theodore W. Foster, William A. Copeland, Committee on Tariff Revision.

STATEMENT FILED BY THE NEW ENGLAND MANUFACTURING JEWELERS AND SILVERSMITHS' ASSOCIATION, PROVIDENCE, R. I., RELATIVE TO JEWELRY.

PROVIDENCE, R. I., *January 2, 1909.*

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.*

DEAR SIR: The jewelry and silverware industry, as represented by the New England Manufacturing Jewelers and Silversmiths' Association, was first started in this country in Providence about 1794, and to-day, in the city of Providence, which is noted as a manufacturing center, it stands third in importance. About the year 1800 the industry spread to Attleboro, North Attleboro, and small near-by towns. In the Attleboros the manufacturing of jewelry is practically the only industry. This section of the country is to-day, and has been for over a century, the headquarters for medium and low-priced jewelry.

The association above referred to is chartered under the laws of the State of Rhode Island "for the purpose of engaging in the business of fostering, encouraging, and promoting closer social and business relations among its members, and to assist and cooperate with its members in any and all business matters wherein such assistance and cooperation may be beneficial or expedient." The association appointed a so-called "tariff committee," made up of manufacturing jewelers from Providence and the Attleboros, whether members of the association or not, representing all the different grades of goods manufactured, as well as the different locations in which the factories are situated, thus forming a committee that thoroughly represents the manufacturing jewelers of this locality.

There are no millionaires in our business; neither have we any trade agreements to limit our output or to regulate our prices. The capital invested is estimated at \$28,500,000; the number of establishments is about 450; number of employees estimated at 19,000; wages paid annually, \$11,138,000, an average per employee of about \$586, and our annual sales are \$51,500,000. We estimate that within a radius of 15 miles there are upward of 60,000 people dependent upon this industry. With two exceptions, there are no large con-

cerns, the average number of employees in each shop being about 42. The manufacturers situated in this congested district sell to the same customers, whether in Boston or in San Francisco. This makes the home competition exceedingly sharp. The result is that the price of our product is rarely, if ever, raised, but it is an every day occurrence to have the prices reduced by this sharp home competition.

Our product, whether of precious or semiprecious metal, whether designed for purposes of utility or ornamentation, and regardless of its intrinsic value, depends largely for its patronage on the general good condition of the commercial interests of the country, and on the cupidity of human nature; consequently keener competition obtains in the jewelry industry than in any other.

In fine, to produce this luxury we are keenly and constantly competing for ideas, methods, systems, and intelligent labor before we can enter the market, and in no other industry is the "survival of the fittest," and not "capital," so great a factor for success. Conservatively estimated, over 85 per cent of jewelry manufacturers to-day have, by slow and arduous labor, risen from the bench. Those who have failed in the attempt are more numerous than in other industries where "capital" is the predominant basis for success.

The constitution, by-laws, and membership annexed to this brief, coupled with the above contention, will at a glance demonstrate the fact that we have neither trust nor combination, but that each firm is sovereign in an endeavor to shape its own destiny. In addition to this list, and by virtue of authority given, our committee represents every firm in jewelry and allied trade in this section of New England.

The intent of tariff bills of 1890, 1894, and 1897 was to bring jewelry and parts thereof, finished or unfinished, into this country under one rate and under one paragraph, but of late it has been brought in under several rates and many different paragraphs, causing litigation at the custom-house and loss of revenue by the Government. To avoid this trouble, to increase the revenue of the Government, and to bring all jewelry in under paragraph 434 we suggest the following changes:

Paragraph 188. Strike out the words "hat," "bonnet," following the word "safety," as these are jewelry and belong in paragraph 434.

Paragraph 193. Strike out the words "gold," "silver," and "platinum," following the word "zinc," as large quantities of unfinished jewelry, such as sterling silver mesh bags, rolled plated rope, and curb chain, are brought in under this paragraph, whereas they should come under paragraph 434.

Paragraph 414. Strike out the words "or metal" following the word "glass," on the ninth line; also strike out the words "and all collar and cuff buttons and studs," on the sixteenth and seventeenth lines, that it may not conflict with paragraph 434.

Caption over paragraph 434, "Jewelry and precious stones," be amended to read: "Jewelry, precious stones, and manufactures of gold, silver, and other precious metals."

Paragraph 434. Amended to read as follows:

Articles commercially or commonly known as jewelry and parts thereof, including small articles of silverware commonly or commercially known as silver novelties and toilet articles, finished or unfinished, 85 per cent ad valorem, and the term jewelry, as used in this act, shall be held to include all articles made of gold, of whatever karat or fineness; silver, of whatever alloy or fine-

ness; or platinum or any base metals, or any articles of which these metals or either of them form a component part, whether of chief value or otherwise.

All articles commercially or commonly known as millinery and military ornaments and composed wholly or in part of either a precious or base metal; hat pins, of whatever material composed, and all other articles not specially provided for in this act, composed wholly or in part of either of the precious or base metals, designed or adapted for use as ornaments for the person or carried in the hand for purpose of adornment or utility, 85 per cent ad valorem.

In regard to articles made of silver, silver plate, or imitations thereof, known as hollow ware and flat ware, no doubt you will hear from the manufacturers of the same.

Exhibit A consists of samples of chains, foreign and domestic.

No. 6 is a rolled gold plated curb neck chain made in Pforzheim, Germany, and imported into this country in coils, hanks, or on reels, unfinished, as metal paying 45 per cent duty, then polished, colored, and trimmed in this country and sold by the German manufacturer's agent at \$3.40 per dozen.

No. 6282 is a similar chain made in the factory of A. H. Bliss Company, at North Attleboro, Mass., and cost at the factory \$7.28 per dozen; differential, \$3.88, less than one-half the cost of the domestic chain.

No. 12 is also an imported rolled-gold plated neck chain, costing laid down in this country \$4.30 per dozen.

No. 6906 is a domestic chain made in the factory of A. H. Bliss Company, of same quality, and costing at the factory \$5.12 per dozen.

The apparent difference between these two chains is 82 cents per dozen, but the imported chain has in it 780 more links per dozen, which calls for the additional labor of 780 solderings and linkings not in the domestic chain.

Exhibit B consists of two rolled-gold plated vest chains, also made in Pforzheim, Germany, numbered, respectively, 2534 and 2500, which were sold by the wholesale dealer in this country for \$1.83 and \$1.70, respectively. These goods can not be manufactured in this country and sold to the jobber for less than \$3 each; differential, \$1.17.

We desire to call the committee's attention particularly to the fact that while the prices of the American articles are the net cost without any profit, the prices of the imported articles include, besides the duty, profits to the manufacturer and wholesale dealer; and to the still further important fact that these chains were brought into this country unfinished, in coils, hanks, or reels, and under erroneous classification as metals, paragraph 193, at 45 per cent duty, instead of finished jewelry, paragraph 434.

Exhibit C consists of a card of imported German brass swivels, showing jobbers' prices sold in New York. This is marked "No. 1." Also a card of brass swivels manufactured by Robinson Brothers, Plainville, Mass., showing the manufacturer's prices at the factory. This is marked "No. 6." Examination of prices placed on the cards beside each article shows that the cost of manufacture of the domestic article is double the selling price of the imported.

Exhibit E consists of samples of rolled gold plate curbed block chain.

No. 1 is an imported chain, cost laid down in this country 21 cents per foot.

No. 2 is a similar chain, made by Whiting & Davis Company, at Plainville, Mass., and cost 23 cents per foot for labor alone. The total factory cost of this chain is 43 cents per foot.

The committee will please note that the cost per foot for labor alone on this chain in this country is 2 cents more than the cost of the complete chain imported, and that the total factory cost of this chain at the American factory is 22 cents per foot more than the complete imported chain, and this without any profit to the manufacturer.

This example of the importations of chain in its unfinished state, in coils, hanks, or reels, as metal under paragraph 193, when it should be imported under paragraph 434, is similar to Exhibit A, but shows the cost of the chain alone and not the finished neck chain.

Exhibit G consists of six brooches from Gablonz, Austria, numbered respectively on the back with (1) the price in Austria in kronens, (2) the price laid down in this country, and (3) the manufacturer's number. The prices given in this exhibit are by the gross. Price for imported articles are laid down in New York; price for domestic articles are factory cost, no profit whatever being added.

	Imported.	Domestic.	Differential.
No. 7327.....	\$1.05	\$12.95	\$8.90
No. 7335.....	6.30	10.30	4.00
No. 7157.....	5.60	8.42	2.82
No. 7565.....	11.90	17.15	5.25
No. 7373.....	4.50	10.00	5.20
No. 7407.....	6.30	11.63	5.33

Consider the amount of labor and material in brooch marked X on the front of the card.

There are in 1 gross brooches 144 joints, 144 catches, 144 pin stems, 144 bases, 3,312 settings, and 3,312 stones; total, 7,200 pieces.

In addition there is the labor of setting 3,312 stones in the same number of settings; also the 144 brooches must be colored or dipped. The finished article is sold (we suppose with a profit) by the manufacturers in Europe for \$3.60 per gross, or 2½ cents for each brooch. A duty of 325 per cent would square our factory cost.

Exhibit H, No. 1, consists of a card showing imported enameled metal buttons from France, brought into this country under paragraph 414 at a duty of 14 per cent ad valorem and a specific duty, making total duty of about 16 per cent.

Nos. 2 and 3 show similar buttons with the eyes cut off and the tops soldered to a stem for use as hat pins, thus made into jewelry; therefore, as unfinished jewelry they should come under paragraph 434 and pay duty as jewelry. The making of dress buttons used to be quite a feature of our business, but on account of the low duty above referred to and improper classification, we have lost this branch of the industry.

Exhibit I consists of one card of findings and one of brooches.

No. 1 is a card of imported findings, suitable and used for brooches, hat pins, buckles, millinery ornaments, etc., the average cost of which, laid down in this country, including 45 per cent duty and all other expenditures, is \$25.10 per gross. Domestic cost, \$33. Differential, \$7.90.

Card No. 2 shows five imported brooches from Gablonz, which cost laid down in this country under paragraph 434 an average of \$10.18 per gross.

Mr. Max Duetz, of Providence, R. I., who makes similar goods, states that these brooches can not be produced in his factory for \$20.50 per gross. Differential, \$10.32.

Card No. 3 shows five imported brooches, laid down in this country at an average cost of \$12.81 per gross. Compare this card with card No. 4, which consists of five domestic brooches, made from imported findings similar to card No. 3. The average factory cost is \$29.66 per gross. Differential, \$16.85.

Card No. 5 consists of five imported brooches, laid down in this country at an average cost of \$24.14 per gross. Compare this card with card No. 6, which consists of five domestic brooches made from imported findings at an average cost to manufacture of \$40.80 per gross. Differential, \$16.66.

Brooches on cards No. 3 and No. 5 pay 60 per cent duty, and yet similar brooches (see cards 4 and 6) made here of imported findings cost 90 per cent more than the imported ones are laid down in New York for.

Now, this wide difference is wholly a question of labor, as the base material (brass) costs practically the same in this country as in Gablonz. On this class of goods our workers receive from \$1.50 to \$2.50 per day. In Gablonz these goods are made in the homes. The families are large, composed of from five to ten children. It is a very young child that can not do some part of the work. Consequently, mother, father, and the children make jewelry. They earn 25 to 30 cents per day. To make these findings requires skilled tool makers, which in this country are paid from \$3 to \$6 per day. In Gablonz they receive \$1 to \$1.50 per day. There are no child-labor laws to contend with; there is no limit to the hours of labor per day or per week; no expense for foreman, superintendent, bookkeeper, rent of factory, or depreciation of plant. The one room where the family lives answers the purpose of dining room and kitchen, parlor and bedroom, office and factory.

Our state laws limit the hours of labor per week; also prohibit the employment of children under 16 years of age, except under certain restrictions. Census for State of Rhode Island for 1905 shows total number of children under 16 years of age employed in the jewelry industry to be 141. With only 141 children employed, with the hours of labor restricted, how can we compete with Gablonz except by an increased duty? We ask protection for the American worker, and with a higher rate of duty and paragraph 434 amended so as to bring in under it all articles of jewelry, finished or unfinished, we can put hundreds of jewelers at work. Jewelry is a luxury and should provide revenue for the Government by paying a high duty.

Exhibit M consists of one knife, one pencil, one mirror and comb set in leather case. These are called silver novelties, but we consider them jewelry, as they are made by our manufacturing jewelers. Knife in sterling silver laid down in this country costs 29 cents; factory cost of domestic article is 48 cents; differential, 19 cents. Pencil in sterling silver is laid down in New York for 21 cents; domestic article costs 30 cents; differential, 9 cents. Mirror and comb set, in leather case, comb with sterling silver mounting, laid down for 21 cents; domestic article, 33 cents; differential, 12 cents.

Webster defines jewelry as "jewels or trinkets in general." These and many similar trinkets, called by the trade "silver novelties," are made by jewelers in our jewelry factories, and should come in under paragraph 434 as jewelry, not as silver or silverware under paragraph 193.

If the manufacturers of silver and silver-plated ware, commonly known as "flat ware" and "hollow ware," are satisfied with the present tariff, and as we have recommended that the words "gold," "silver," and "platinum" be stricken from paragraph 193, would it not be well to have a paragraph 434A, to read somewhat as follows: "Silverware, of whatever degree of fineness, known as 'flat ware' and 'hollow ware,' also silver-plated ware or imitations thereof known as 'hollow ware' and 'flat ware.' ——— ad valorem."

We suggest this not to interfere in any way with the manufacturers of hollow ware and flat ware made of silver or of silver plate, as without doubt they know the conditions under which they labor much better than we do, but simply to clear paragraph 434 so that it will apply wholly to articles of jewelry.

Exhibit N consists of four imported rolled gold-plated neck chains.

No. 1. The importers' price is \$9.70 per dozen. The selling price of the A. A. Greene Company, of Providence, R. I., is \$18 per dozen. Differential, \$8.30.

No. 2. The importers' price for 18-inch chain is \$5.40 per dozen. A. A. Greene Company's price for 18-inch chain is \$9.90 per dozen. Differential, \$4.50.

No. 2 in 13 inch, the importers' price is \$4 per dozen, and A. A. Greene Company's price is \$7.20 per dozen. Differential, \$3.20.

No. 4. Importers' price is \$5 per dozen, and A. A. Greene Company's price is \$9 per dozen. Differential, \$4.

The importers' prices are subject to $2\frac{1}{2}$ per cent for cash. A. A. Greene Company's are less than 6 per cent for cash in ten days.

In other chain exhibits the domestic prices quoted have been the manufacturer's cost price. In this exhibit we are obliged to quote the manufacturer's selling price of the domestic goods with the importers' selling price of the imported articles. As the importer and the domestic manufacturer both sell to the wholesale or jobbing jeweler, the above comparisons are fair.

Exhibit P. This exhibit consists of two samples of imported and two samples of domestic rope chain of corresponding sizes.

No. 500, imported, cost complete laid down in this country 38 cents per foot.

This same chain made by Chapin & Hollister Company, Providence, R. I. (see Exhibit P, marked "No. 500, domestic"), cost 50 cents per foot. Labor alone on this chain is 42 cents per foot. Labor alone on this chain in Pforzheim is 16 cents per foot. Differential, in labor alone, 26 cents per foot.

No. 74, imported, cost complete laid down in this country 42 cents per foot.

The same chain made by Chapin & Hollister Company (see Exhibit P, marked "No. 74, domestic") cost 60 cents per foot. Labor alone on this chain is 47 cents per foot. Labor on same chain in Pforzheim is $18\frac{2}{3}$ cents per foot. Differential, on labor alone, $28\frac{1}{3}$ cents per foot.

Exhibit Q. No. 1 consists of two cards of nickel fobs showing a large amount of hand work on the charms. These fobs were formerly

made in this country and gave employment to a large number of workers, but owing to the difference in the cost of labor, as referred to under Exhibit I, our manufacturers are obliged to give up this branch of their business.

No. 2 consists of a pad showing nickel vest chains, put up as they are sold by the manufacturer, the Fontneau & Cook Company, of Attleboro, Mass. These were formerly sold for \$36 per gross, but by German competition they have been reduced to the present price of \$24 per gross, less 10 per cent cash in ten days. This is below actual cost to manufacture in this country, but the German chains are imported and sold for less money. Consequently the American manufacturer must soon give up this branch of his business also.

The O. M. Draper Company, of North Attleboro, Mass., have made nickel chains similar to those submitted in this exhibit for nearly fifty years, and were at one time the largest manufacturers of this line of goods in this country, doing quite an export business, but they have been compelled to give up this line owing to German competition, as stated above. This staple branch of the jewelry business has been lost to the American manufacturer.

Exhibit T. No. 1 consists of an imported brooch, which costs laid down in this country 4 cents each.

No. 2 is a similar brooch, manufactured in Providence, R. I., at a cost for labor alone of 11 cents each. Total finished brooch costs 20 cents; differential, 16 cents.

Exhibit W. Consists of a mesh bag. It is a sterling silver mesh bag, $\frac{9}{10} \frac{3}{5}$ fine, purchased from Robert Friederich, Pforzheim, Germany, whose bill and invoice is annexed to this statement. It was imported under the metal clause and paid 45 per cent duty. This mesh bag is composed of 13,804 links. It represents, therefore, the winding up or making of 13,804 links, the linking together of 13,804 links, and the soldering of 13,804 links. This mesh, with its large amount of hand labor, the sterling silver and manufacturers' profit, is laid down in New York, including 45 per cent duty, the United States broker's fee, 5 per cent commissions, postage and cost of insurance, and draft on Germany, for \$8.53. The same bag made at North Attleboro, Mass., fully itemized, as per statement hereto annexed (see confidential Exhibit A), cost \$13.98, without any factory expense added and without any profit, making a difference of \$5.45 in favor of the imported bag. The manufacturers' selling price of this sterling silver mesh bag in Pforzheim is \$5.59. The percentage of duty which would be necessary to make the imported bag equal the factory cost of the one manufactured in America without any profit would be 141 per cent.

We have attached to this statement the exporters' invoice and duplicate consular invoice and United States broker's receipt and manufacturers' figures, making comparison on the cost of this bag laid down in this country as compared with the same meshes of American manufacture, because it is a most conspicuous example of two factors that largely affect the jewelry industry of this country, namely, first, the erroneous classification where such an article as this sterling silver mesh bag is brought in under paragraph 193 as metal, instead of paragraph 434 as unfinished jewelry; second, the wide difference in the cost of labor here and in Germany, as in the case of this bag the item of American labor alone exceeds by more than 100 per cent the total cost of the imported bag laid down in

New York. Help in this country capable of making soldered mesh bags earn from \$1.50 to \$2 per day. It requires several months to learn to solder well and quickly, and to-day our manufacturers are selling more mesh bags than ever, and employ only about one-tenth as many mesh bag makers as formerly because they are compelled to use the imported mesh.

We show a finished bag from this same imported mesh with domestic frame and chain which is the product of our jewelry factories and which is considered by our manufacturers and dealers as jewelry, and should come in under paragraph 434. The large amount of labor required to solder this mesh containing 13,804 links is an important feature of the jewelry industry, and when the mesh is imported is a serious loss to our workers, as it throws hundreds of American help out of work.

In this connection we wish to state that the soldered mesh-bag industry is lost to our manufacturers on account of the imported article, and that hundreds of our mesh-bag workers are idle. To cite a single instance: Mr. Whiting, of Whiting & Davis Company, of Plainville, Mass., states that his firm formerly employed from 35 to 40 people soldering mesh bags in his factory, and now employs but 3, and those simply to take care of repairs, as they import mesh bags, including the silver, less than the labor alone costs in his own factory. This illustration applies to all our soldered mesh-bag makers, and unless you give us relief the soldered mesh-bag business will go where the nickel fob and vest chain have gone—to Germany.

Exhibit X consists of 3 German silver silver-plated mesh bags, marked No. 1, No. 2, and No. 3.

No. 1 and No. 3 are imported from Pforzheim, Germany. No. 2 is made at North Attleboro, Mass. No. 1 and No. 3 are called fine mesh. No. 2 is coarse mesh. These meshes are made by hand, each ring being handled separately. The finer the mesh the larger the number of rings used, consequently an increased amount of labor.

Foreign bag No. 1 costs, duty paid, fine mesh, \$3.45. Domestic bag No. 2 costs, fine mesh, \$4.57. Differential, \$1.12. Foreign bag No. 1 costs, duty paid, coarse mesh, \$2.70. Domestic bag No. 2 costs, coarse mesh, \$3.97. Differential, \$1.27. Foreign bag No. 3 costs, duty paid, \$5.51. Domestic bag No. 3 costs \$7.77. Differential, \$2.26.

Bag No. 3 has a hand-sawed, hand-engraved frame, and is a beautiful example of bag, with a large amount of hand labor in the frames. Practically 90 per cent of the cost of this bag is labor.

The lining in our bag No. 2 is not a feature of additional expense, but rather one of less expense, which enables us to use coarser links and cut down the labor of joining mesh to the frame. Please note that domestic bag No. 2, with 3,720 links, costs more than imported bag No. 1, with 6,312 links, which is accounted for by the difference in wages between the two countries.

The name of the firm manufacturing the above domestic bags will be found in confidential Exhibit B.

Exhibit Y consists of a small reel of imported rolled-gold-plated rope chain and a hank of rolled-gold-plated curb chain, showing the form in which they come to this country. They are brought in under paragraph 193 as metal, paying 45 per cent duty. When finished they are used only for jewelry. In fact, it is in its present condition

nothing but unfinished jewelry, and should pay duty under paragraph 434. See Exhibit N for finished curb, rope, and cable chain similar to this exhibit. There is quite a variety of sizes of curb and rope chain like these samples; also cable chain (so called) imported in this condition and polished and trimmed in this country as neck chain, guard chain, etc.

Joseph Lawrence, of Providence, R. I., is a maker of rope chain, and formerly employed 60 hands; to-day has only 12, as he can not compete with the imported rope chain. A similar condition prevails with all our rope-chain manufacturers. As rope chain is a staple article, some of our manufacturers have established factories in Germany and are making rope chain, as they can not do so at a profit at home. It takes a girl from six months to a year to learn to make rope chain, and good rope makers here earn \$2 per day. A large wholesale jeweler in Boston said to me the other day: "You are surely up against it on the chain business. I buy the imported neck chains and lorgnette chain not 10 per cent cheaper, but 40 to 50 per cent cheaper than the domestic chain, and I have tested the chain and know they are just as good in every respect as the domestic chain."

Conditions have changed since the enactment of the Dingley bill. Up to, say, three years ago the foreign rope chain was inferior to ours, but to-day it is much better made and is nearly as good as the American chain. In addition to better workmanship, they have learned to make a better quality of rolled-gold-plated wire for their chain, and in addition reduced price about 10 per cent. During this period wages in Rhode Island have advanced 29.8 per cent. You will notice the increase in duty which we ask for is more than offset by the improvement made by the foreign manufacturer in the quality of his goods, in the reduction he has made in his price, and the advance paid in wages in this country.

As mesh bags and rope, cable, and curb chain come from Pforzheim, we submit list of wages paid there and in Providence, R. I.:

	Providence, R. I.	Pforzheim.	Differential.
	<i>Per day.</i>	<i>Per day.</i>	
Jewelers.....	\$2.50 to \$3.50	M4.04 to M4.40	\$1.25 to \$2.40
Stampers.....	2.00 to 3.50	4.04 to 4.40	1.00 to 2.40
Stone setters.....	3.00 to 5.00	5.02 to 5.50	1.75 to 3.65
Engravers.....	3.00 to 3.50	5.42 to 6.00	1.62 to 2.00
Tool makers.....	3.00 to 6.00	4.87 to 5.20	1.80 to 4.60
Helpers.....	1.00 to 1.66	3.18 to 3.40	.20 to .80
Polishers.....	2.00 to 3.00	2.48 to 2.68	1.38 to 2.30
Chain makers.....	1.16 to 2.00	2.49 to 2.70	.55 to 1.30
Foreman.....	4.16 to 5.00	8.00 to 12.00	2.20 to 2.00

We have not the cost of labor in detail as above for Gablonz, where Exhibits G and I came from, but we are told that labor is very much cheaper in Gablonz than in Pforzheim.

Exhibit Z consists of 14 samples of rolled-gold-plated cable chain soldered by an expert gold and silver smith of Japan. Domestic prices quoted are from a manufacturing company of Providence, R. I. It is exactly what they pay their chain makers without any overhead charges (which are $33\frac{1}{3}$ per cent) or allowance for solder used, or profit in any form.

The foreign prices are f. o. b. Yokohama,

Number.	Domestic soldering per foot.	Japanese soldering per foot.	Differen- tial.
	Cents.	Yen.	Cents.
9.....	8	0.07	4½
12.....	4	.03	2½
12A.....	4	.04	2
13.....	5	.07	1½
14.....	4	.04	2
16A.....	3½	.04	1½
17.....	2½	.04	½
17A.....	3½	.03	2
21.....	2½	.02	1½
21A.....	3	.03	1½
21B.....	2	.02	1
21R.....	4	.03	2½
24.....	3	.03	1½
25.....	2½	.02	1½

With this unfair comparison, the Japanese prices are on the average just one-half the domestic prices. I wish to quote part of the Japan Manufacturing Company's letter of November 5, 1908, as follows: "Our present capacity in soldering is about 5,000 feet per day. It will, however, be very easily increased if necessary to any more, and when your order be a large one we will make special quotations at a lower figure and sincerely ask your patronage." In this quotation from this letter you will notice that the Japan manufacturers of their own accord plainly state their willingness and ability to quote lower prices if they can have the business. For the names of the foreign and domestic chain makers see Confidential Exhibits C and D.

The plated wire used in this chain is made in this country, and by special machinery is wound, sawed, and linked ready to solder. This is the way the importation of rolled gold-plated rope chain began in this country; that is, wire was made here, sent to Germany, and returned in the shape of rope chain. Soon the Germans bought a chain machine here, and made themselves as many more as they needed. They also improved the quality of their rolled gold-plated wire so that to-day we have practically lost the exportation of plated wire to Germany to be made into chain.

The Japanese are bright people, good at copying, and in a very short time will have chain machines of their own, will also make the plated wire, and all that has been done to us by the Germans will soon be duplicated by the Japanese.

When the Dingley bill was passed we feared England and France on certain lines. To-day Germany has taken the place of both of these countries and in the near future, from present indications, we shall witness an industrial battle for the jewelry business of this country between Japan and Germany.

The Germans already have us at a great disadvantage on account of the difference in labor. What will happen when the Japanese get into this market in earnest no one can foretell.

In this connection I wish to state that from cable chain like this exhibit we make curb chain. See exhibits Y and A.

Exhibit AA.—Catalogues. To substantiate our claim that mesh bags, silver novelties, toilet articles, and other silver goods should be

classed as jewelry, we submit two catalogues of Paye & Baker Company, manufacturing jewelers and silversmiths of North Attleboro, and one of Theodore W. Foster & Bro. Company, of Providence, showing that these articles are made by our jewelry factories, in connection with a general line of jewelry, and sold to the trade as jewelry.

We also submit finely illustrated and extensive catalogue of Franz Spiedel, a large manufacturer of chain in Pforzheim, Germany, who, it is said, is importing large quantities of chain into this country; also Japanese catalogue of Messrs. Shimizen & Co. (read from the back) illustrating a large variety of jewelry consisting of scarf pins, charms, rings, chain, pencils, spectacles, toilet articles, etc., showing the Japs are willing to supply us with jewelry as well as chain. (See Exhibit Z.)

There is a large volume of business done all the year round on millinery ornaments. They are practically all imported at the present time. Our manufacturers who make the cheaper grade of goods have the facilities, the tool makers, the bench hands, the colorers, the stone setters, and the shops to make these ornaments. They are anxious to get this business, but can not do so on account of the low wages abroad and the low duty at home. Put millinery ornaments in paragraph 434, and we can get a share of this business, and the Government get an increased revenue, as lots of goods are bound to be imported anyway.

We have seen a copy of the brief submitted by Doctor Kunz, gem expert (for several years connected with the house of Tiffany & Co., New York), in which he states that the duty of 60 per cent on jewelry is prohibitive, and 30 to 40 per cent would produce more revenue to the Government, and we answer that statement by saying that undoubtedly Mr. Kunz had in mind jewelry of the more expensive character, jewelry made by the single piece, a special design of which is made for that particular piece, and is not duplicated for another similar piece, such as the finest specimens of the jewelers' art that can be produced in Paris, Berlin, St. Petersburg, and other high-art centers, jewelry set with many high-cost precious stones.

It is very evident that Doctor Kunz did not have in mind, and barely possible that he does not know about, the jewelry that is made in Providence and the Attleboros, to be sold by the dozen and by the gross, the kind of jewelry made in large quantities in our factories in which the labor cost exceeds by far that of the material used therein.

Please note in our exhibits the item of labor exceeds many times the cost of the material used. By comparing our exhibits with our statements of costs here and abroad, you will see that Doctor Kunz's statement of 30 to 40 per cent duty does not fit our industry on the top, side, or bottom.

An importer in New York has samples of gold brooches set with pearls and corals brought in under paragraph 434. If this can be done to-day, wouldn't the jewelry factories of Pforzheim get busy if you followed Doctor Kunz's suggestion and made the duty on jewelry 30 to 40 per cent, and wouldn't it close a like number of factories in Providence and the Attleboros? We surely know it would.

Furthermore, you can readily see the duty asked for, 85 per cent, is nowhere near equal to the difference between the labor abroad and the labor here on the same article. Consequently, duty recommended

by us, not being prohibitive or anywhere near it, will protect the industry somewhat and produce a greater revenue than the present rate of duty.

As a remedy for existing evils as shown by our exhibits we urge that our recommendations in regard to correcting wrong classification be adopted.

Also, that paragraph 434 be amended so that jewelry finished or unfinished will come to this country as jewelry and pay duty as jewelry rather than as metal.

Our exhibits show that our product is 75 to 95 per cent labor, and in consideration of the price paid labor here and abroad the present duty does not give us adequate protection—that we need a duty commensurate with the difference between labor here and abroad.

Our request for a duty of 85 per cent ad valorem is not prohibitive. The foreign manufacturer, as represented by agents in this country, boasts that if we double the duty he can still bring his goods in, and we firmly believe that with the rate we ask for with his cheap labor he will be able to export jewelry to this country to such an extent as to be a formidable competitor of the home product, but with the advanced rate of duty, proper classification, and the doing away with the so-called "German agreement" the Government could reasonably expect an increased revenue, as heretofore it has been a great loser by wrong or improperly interpreted classification.

TARIFF COMMITTEE OF NEW ENGLAND MANUFACTURING
JEWELERS AND SILVERSMITHS' ASSOCIATION.
HENRY G. THRESHER, *Chairman.*

STATE OF RHODE ISLAND, *County of Providence:*

In the city of Providence, on this 9th day of January, A. D. 1909, personally appeared Henry G. Thresher, to me known, and he subscribed the foregoing brief in my presence and made oath that all information and statements contained therein are true and correct, to the best of his knowledge and belief.

Before me:

[SEAL.]

ROBERT S. EMERSON, *Notary Public.*

PRECIOUS STONES.

(Paragraph 435.)

WILLIAM C. WULFF, CHICAGO, ILL., ASKS THAT CUT AND UNCUT STONES BE ADMITTED FREE OF DUTY.

CHICAGO, ILL., *November 24, 1908.*

HON. H. S. BOUTELLE, M. C.,

Washington, D. C.

DEAR SIR: The revision of the tariff, in my estimation, should include our industry. Cut and uncut stones are raw material. The great cry of protection to infant industry of diamond cutting has been a farce the past year or eighteen months. I had conversation with cutters of New York and Brooklyn, where most cutting is done in America, and the little employment they had and the product they made

(commercial cutting) was of so small an amount compared to the importation that the cry of supporting an infant industry is absurd, when you realize that if we had the tariff on diamonds off and unset admitted free of duty, the greatest incentive for smuggling is removed; the same applies to cheap imitation sets, corals and cameos, mostly imported. These are raw material, figuratively speaking, in my estimation, in our industry. The set article, or mounted as some call it, and the finished jewelry can well be protected, but why the raw material? The middle class want the genuine article.

Visit the city of Providence and Attleboro, where ten-hour day prevails, and see the result of tariff legislation, and they are its main adherents; so am I on the finished product, but not on raw material. Every other city in United States has a nine-hour day. Let them introduce American ideals in those cities and ask for cheaper raw material if it is so difficult to inaugurate the shorter workday and abolish child labor there.

Let Providence, R. I., and the two Attleboros, Mass., get a prod and you can serve one of your constituents by so doing and oblige,

Yours, for American ideals in our industry,

WM. C. WULFF,
Editor and Publisher Jewelry Worker.

STATEMENT OF L. M. VAN MOPPES, REPRESENTING VAN MOPPES & SON, 87 NASSAU STREET, NEW YORK CITY, RELATIVE TO BORTZ AND ROUGH DIAMONDS.

SATURDAY, *November 23, 1908.*

Mr. VAN MOPPES. Mr. Chairman and gentlemen of the Ways and Means Committee, I have come here to talk to you in regards to having a protective tariff placed on bortz and carbon rough diamonds that are imported into this country and used for mechanical, scientific, and experimental purposes.

I desire to state that I am and have always been an importer of bort and carbon rough diamonds for about twenty years past, and during all those years I have never before complained to our Government about the cutthroat European competition that I have been contending with in my business. During the past five years I have continually foreseen and known that the time would soon come when I would find it to be absolutely necessary to ask our Government for a protective tariff, and in my two letters of September 19 and November 5 to your honorable committee I have already explained some of the unfair conditions in my business about which I have reason to complain.

Now, I have a few other facts to talk to you about, and these facts are that I believe it would be very wise and just to all American importers of bort and carbon rough diamonds, and also at the same time profitable to our Government, to put a tariff on all kinds of bort and carbon rough diamonds. I stated that I believe it would be wise and just to all American importers, etc. By that I mean the competition of European dealers who are sending bort and carbon rough diamonds on approval to American users or consumers would no doubt soon be terminated by having a protective duty on such goods, as European dealers would not be willing then to send their goods here subject to approval and selection to anybody if they (the European dealers) had to pay a duty and then had to stand a

chance of getting their goods sent back to them again as being unsuitable.

For instance, there is a firm in Scotland that recently established a branch in this country to manufacture and sell diamond-set stone saws in this country. The American branch of this firm now receives every week or two weeks from their Scotland people packages of unset bort rough diamonds.

From these packages of bort they select what they need for their own business and then sell the balance to American users, or if they can not sell the balance, they reship them back to Scotland. This Scotch firm has been doing a very good business in this country, making and selling diamond-set stone saws to American stone works, but still absolutely refuses to buy any rough diamonds from any American importer.

Now gentlemen, I ask you are such conditions fair or unfair to our American importers, and would it not only be just and right that our American importers should be protected by our Government against such conditions? Also, gentlemen, is it fair or unfair to our American importers that any individual or firm in London, Paris, Amsterdam, or Antwerp who desires to become a cutthroat competitor of American importers should be so easily able to accomplish their purpose in our free-of-duty American market?

In conclusion, I also wish to again call your attention to the facts which I have written you previously regarding drilled, ground, or shaped bort and carbon diamonds that are at present admitted free of duty into this country.

Owing to these conditions two French firms have lately come to New York and started each a small shop, having two or three men working, setting the drilled, ground, and shaped stones into brass drawplates and other kinds of settings. The drilling, grinding, and shaping of rough diamonds has been done here in this country very largely for many years, but this industry in this country is now being ruined entirely, and good American firms to whom we have formerly sold many thousands of dollars' worth of rough diamonds annually are now also commencing to import drilled diamonds from Europe direct, in order to try to compete with the Frenchmen who have come here, owing to the free-of-duty law on drilled, ground, and shaped diamonds.

I desire to thank you, gentlemen, for your kind attention, and hope my arguments will meet with your favorable consideration.

GEORGE F. KUNZ, OF NEW YORK CITY, SUGGESTS SCHEDULE OF RATES AND CLASSIFICATION FOR PRECIOUS STONES.

NEW YORK, *December 1, 1908.*

HON. SERENO E. PAYNE,

Chairman of the Ways and Means Committee,

Washington, D. C.

DEAR SIR: For twenty-five years I have been on familiar terms not only with the leading as well as the smaller dealers in jewelry, but also with lapidaries, gem engravers, and gem cutters, and find that as a general rule they are only interested in the duty which immediately concerns them personally, without the least regard to what may affect the lesser or greater numbers of the same profession. For this reason

it occasionally happens that a number of the forms of precious, semi-precious, and gem stones are overlooked, because those men who deal in them have not the means to represent themselves properly at investigations carried on at a distance. The brief herewith submitted is presented with a view to doing justice to all concerned and to simplifying the complexities of the present tariff.

If provisions similar to those herein proposed be embodied in the tariff, much of the needless litigation over technicalities, which constantly presents itself to the New York customs officials, will be done away with, and, at the same time, if the precious-stone duty only is enforced in the case of pearl necklaces and of valuable precious stones contained in jewels, a larger revenue will be collected. In this way the country need not humiliate itself by keeping a staff of detectives in the larger European hotels, sometimes producing results not entirely satisfactory, but scarcely surprising, in view of the great bounty offered to the officers of the law, whose zeal is sometimes unduly stimulated thereby.

Under present conditions many heirlooms, old pieces of jewelry, and gifts of precious stones in their original settings are probably not declared at present, although they would be declared if a precious-stone duty of 10 per cent were imposed. At present, if through some error such articles are brought over, the 60 per cent duty is generally paid under strenuous protest, and it causes much personal hardship to the innocent importer, generally a private party only and not a dealer.

Precious stones in their natural state, uncut, 10 per cent ad valorem.

PROPOSED TARIFF FOR PRECIOUS AND SEMIPRECIOUS STONES AND GEM STONES.

That all precious, semiprecious, gem, and ornamental stones, such as diamonds, rubies, sapphires, emeralds, chrysoberyls, cat's-eyes, alexandrites, tourmalines, aquamarines, zircons, garnets, and other stone materials, when natural and not artificial, to be used in jewelry, or for art objects or bric-a-brac, or in mechanical processes, whether cut, polished, or engraved, and whether loose or strung as spheres, slabs, cubes, or in any other form, shall be dutiable at the rate of 10 per cent ad valorem. In this class shall be included rock crystals, agates, and all varieties of the quartz group, as well as jade, malachite, lapis lazuli, crocidolite, amber, coral, satin spar, etc., whether natural, colored, dyed, stained, or treated in any other way, but it shall not include marble, either carbonate of lime or carbonate of lime and magnesia.

PROPOSED TARIFF ON ARTIFICIAL AND IMITATION STONES.

Artificial and imitation stones of all kinds shall be assessed at a duty of 20 per cent ad valorem.

That pearls of every form and variety, when of natural origin, whether round, drilled, split, half pearls or seed pearls, and whether loose, assorted, or strung, shall be dutiable at the rate of 10 per cent. When any such pearls are held together by a clasp or snap, this shall be dutiable at the rate of 30 per cent as jewelry, unless the stones in the clasp or snap should have a greater value than the setting, in which case the stones shall be subject to a duty of 10 per cent, while the setting shall be dutiable at the rate of 30 per cent as jewelry, and

the same conditions and rates shall apply to any bars or other ornaments connected with a pearl necklace.

PROPOSED TARIFF FOR CULTURE PEARLS OR PEARLETTES.

That the pearl-like objects produced by introducing pellets of wax, bone, ivory, or any other substance into pearl shells while in growth and which, when removed from the shell, have only a slight coating of the pearly nacre and are known as culture pearls or pearlettes, shall be subject to a duty of 20 per cent ad valorem.

JEWELRY.

The term "jewelry" shall be used to designate all ornamental objects composed of gold, platinum, silver, iron, or other material used for adornment if under \$50 in value. If of greater value than \$50, and if more than one-third of this value consists in diamonds, pearls, or precious or semiprecious stones of any kind these objects shall be called "jewels," and the value of the setting shall be dutiable as jewelry, but the content, as precious stones, shall only be subject to the duty levied on diamonds and precious stones. The setting itself, however, is to be dutiable at from 30 to 60 per cent, as may eventually be decided. In other words, if an ornamental object as a whole be appraised at \$1,000, and contained precious stones at \$900, there shall be a jewelry duty on \$100 as the value of the setting, and a precious-stone duty on \$900 as the value of the precious-stone material; or if the object as a whole be worth \$1,000, the setting alone being \$10, and the precious-stone material \$990, there shall be a precious-stone duty of 10 per cent on the content and a jewelry duty upon the setting.

A duty of 60 per cent upon jewelry is excessive and prohibitory. If the duty were 30 or 40 per cent, the United States Government would collect a much larger sum in customs, as there would be more purchasers to pay duty and less jewelry could be brought in without having been declared.

Respectfully submitted.

GEORGE F. KUNZ,
D. Sc., A. M., Ph. D.,

(Special agent United States Geological Survey 1882 to date; the only honorary member Chamber of Commerce of Precious Stones of France.)

INSTRUMENT JEWELS.

[Paragraph 435.]

JOHN WENNSTROM'S SONS CO., SUFFERN, N. Y., WISHES AN INCREASE OF DUTY ON THESE ARTICLES.

SUFFERN, N. Y., *December 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We note that your committee has been called upon to investigate the tariff conditions and to recommend changes and reforms where needed, and we therefore wish to call your attention to the condition of affairs in our particular line of business and trust you

We manufacture jewels and jewel bearings for all kinds of instruments.

Our grievance is the extremely low tariff on watch jewels, electrical jewels, and other instrument jewels, being only 10 per cent, while the watch companies are protected by a 25 per cent tariff on all watch movements, in addition to a flat rate per movement according to the number of jewels contained therein. It is a well-known fact that the watch companies, who are the only ones benefited by the present tariff, sell their product in foreign countries at about 20 per cent less than they sell the same article at in this country.

We approximately estimate that 60,000 watch jewels, at an average cost of 5 cents each are used daily in the manufacture of watches in this country, and about 20,000 instrument jewels of various kinds at an average cost of 18 cents each are used daily in the manufacture of instruments of all kinds.

The jewels are made of various materials, mostly ruby, agate, sapphire, and garnet.

Most of these jewels are made in Switzerland, France, and Italy, all by hand labor, and with only 10 per cent duty on them, American workmen could not compete, so that now the jewel business here is practically dead, and while this low duty benefits a few large consumers, it deprives nearly 3,000 American workmen of employment.

We have occasion at times to import agate in a semicrude state for the manufacture of electrical-instrument jewels and on which the duty is 50 per cent, and it is a serious handicap to us to have to pay 50 per cent duty on what is to us raw material, and yet we are only protected by a 10 per cent tariff on finished jewels. We would therefore advocate the same duty on jewels of all kinds as on the agate.

We therefore request a duty of 50 per cent ad valorem on finished jewels such as electrical, nautical, horological, and all mathematical instrument jewels in order to protect our business, and we also ask that these have a separate paragraph in the revised schedule.

There is also an industry of no small magnitude sprung up these late years in the manufacture of diamond dies for drawing wire, and which is not classified in the tariff schedule, and although they are a finished article and are imported ready for immediate use, they are brought in under the classification of diamond bortz and pay no duty whatever. There are hundreds of thousands of dollars worth of these dies used in the wire industry in this country. Then, again, we call your attention to diamonds that are flattened and cupped for use as bearings in electrical and other instruments which are not classified, but as far as we learn can only be entered as cut diamonds at 10 per cent, which is no protection whatever to American manufacturers.

We also call your attention to the fact that about 90 per cent of the output of the Montana sapphire mines is exported to Switzerland, France, and Italy, made up into jewels, and in turn imported here in the finished state.

We have dealings with a large western mining company who now have their gem cutting factories in different parts of Europe and for whom we have done considerable experimental work. This company desires to go into the watch jewel line on a large scale when the tariff is definitely settled, and they will undoubtedly locate in this country if the conditions warrant manufacturing in this country at all.

We therefore ask a separate paragraph for these articles, namely, diamond dies, for drawing wire, fiber, and filaments, and ask a duty of 50 per cent ad valorem.

There are also diamonds imported in considerable quantities that are flattened, or flattened and cupped for use as bearings in electrical and other instruments which are not classified, but as far as we learn there can only be entered as cut diamonds under paragraphs 191 or 435 at 10 per cent ad valorem.

We would ask that a separate paragraph be provided for these namely, diamond jewels, or be included in the paragraph pertaining to watch jewels and other instrument jewels at 50 per cent ad valorem.

We sincerely trust that you will give this matter careful consideration, and that you will recommend a duty on this class of material at least high enough to protect American business if not the same as is now imposed on agate.

Yours, very truly,

JOHN WENNSTROM'S SONS Co.,
*Manufacturers of Jewels for Electrical, Mathematical,
Horological, and Nautical Instruments.*

By JOHN WENNSTROM.

PRECIOUS STONES AND PEARLS.

[Paragraphs 435 and 436.]

**E. N. FOWLER, COLLECTOR OF CUSTOMS, NEW YORK CITY,
THINKS ANY INCREASE OF DUTY ON DIAMONDS AND PEARLS
WOULD ENCOURAGE SMUGGLING.**

NEW YORK, *February 15, 1909.*

HON. J. H. GAINES, M. C.,

House of Representatives,

Washington, D. C.

My DEAR CONGRESSMAN: Referring to your letter of February 8, 1909, asking me for my opinion of a change in the schedule, putting a duty of $2\frac{1}{2}$ per cent on uncut diamonds and $12\frac{1}{2}$ per cent on cut diamonds, and also whether a slight increase in the duty on pearls would result in their being smuggled, I have to say:

With regard to cut diamonds, in my opinion, the slightest advance over the present rate of duty of 10 per cent would prove to be a great incentive to smuggling. The value of cut diamonds being so great, the slightest advance in the rate of duty would result in great disadvantage to the honest importer.

It is my judgment, and I state without hesitation, that the same argument applies with equal force to an increase in the rate of duty on pearls.

I believe that we are able to collect considerable duty as the law now stands in regard to precious stones, and experience under previous tariff laws leads me to the conclusion that the present rate of duty is the wisest and best to be obtained.

Regarding the collection of duty on uncut diamonds, commercially known as "rough," I believe that it would be not only impracticable, but impossible. There is not a man available to the Treasury Depart-

ment qualified to judge the value of uncut stones; and, if my information is correct, there are but several such men in the whole country. Their services could not be made available for the paltry salaries which the Government pays to its employees. A man qualified to determine the value of "rough" diamonds correctly can command a remuneration in the trade of at least \$10,000 a year. Consequently, with the available experts which the Government can procure, there would be, in my judgment, no check whatever on undervaluation.

Has it occurred to you that were the duty collectible it would result in injury to the industry here by driving the cutters back to the other side, as it would be impossible to cut profitably with such a handicap? I am led to the conclusion that the ends of commercial enterprise will best be met by not disturbing the present rates of duty, and that if necessary they be reenacted in the new tariff for the reasons herein stated.

If I can be of any further service to you, please command me.

Respectfully,

E. N. FOWLER,
Collector of Customs.

STATEMENT OF MEYER D. ROTHSCHILD, REPRESENTING IMPORTERS AND RETAILERS OF PRECIOUS STONES.

SATURDAY, *November 28, 1908.*

Mr. Chairman and gentlemen, this, of course, is simply a revenue proposition.

The CHAIRMAN. Are you going to read a brief?

Mr. ROTHSCHILD. No; I am not. I am simply going to look at my notes, and go right ahead. I am not going to read a brief.

The CHAIRMAN. Go ahead, then; because if you have a brief, it might just as well be filed.

Mr. ROTHSCHILD. I have no brief. We will file a brief later.

The importers do not desire radical or important changes. We recognize, of course, that luxuries should pay as high a duty as possible. The tariff of 1883 provided that all precious stones and imitations thereof should pay 10 per cent. That of 1890 was the same—10 per cent. The tariff of 1894 (the Wilson tariff) provided that precious stones cut should pay 25 per cent, and rough, 10 per cent. The present tariff, as you know, is 10 per cent on cut stones and 20 per cent generally on rough ones.

The CHAIRMAN. Yes; we know all that.

Mr. ROTHSCHILD. What we want to call your attention to, gentlemen, is that we want no change in the tariff, with one exception, and that is on the question of unstrung pearls, and I will read Mr. Nissen's statement for a few minutes. We do, however, desire that the paragraphs as they are written in the act shall be so changed that they will be perfectly clear. As it is now, when the importers import some little imitation things that are suitable only for jewelry purposes, and there is no provision in the tariff for them, they have to find a place among china (60 per cent), or among marble

or slate mantels (35 or 40 per cent), or some other outlandish schedule which has nothing to do with our business. In other words, we should like the tariff rewritten in such a way that the little things which the importers bring in, suitable only for jewelry purposes, shall be brought in at a reasonable rate.

I want to say, gentlemen, that in 1894, under the Wilson tariff, an effort was made to get a larger revenue from pearls and precious stones, on the theory that these were articles of extreme luxury that could well bear the burden of such a tariff. We agree with the framers of that tariff that if it were possible to collect a duty of that kind it would be a good thing and we would not object.

The CHAIRMAN. I do not think we will try any experiment of that kind. It has been so thoroughly tested that I do not think this committee will go into it.

Mr. ROTHSCHILD. If this committee feels that way, I have nothing further to say on that point. I wanted to give you a few facts.

The CHAIRMAN. If you present any arguments, we may do it; but I do not think it probable.

Mr. ROTHSCHILD. Very well. I will simply file a brief, then, within a few days.

Mr. CLARK. Why not?

Mr. ROTHSCHILD. Why not what, sir?

Mr. CLARK. Why not do the very thing that you suggested—change it?

Mr. ROTHSCHILD. For this reason: Two years before the Wilson bill the importations of diamonds and precious stones were about \$14,500,000. Two years after the Wilson bill they were less than \$5,000,000. Two years after the Dingley bill they were \$19,000,000. That was for the reason that smugglers did the business and honest men were put out of business, and the Government did not get the revenue. That was the reason, sir.

Mr. CLARK. Why did they not "jug" the smugglers?

Mr. ROTHSCHILD. They tried to "jug" the smugglers, but when you can put \$100,000 worth of stuff in a pocketbook or in a small package, with our immense border line and with our immense sea-coast line, it is a physical impossibility. We would like it, gentlemen. We were practically out of this business for three years.

STATEMENT SUBMITTED BY LUDWIG NISSEN, REPRESENTING IMPORTERS AND RETAILERS OF PRECIOUS STONES.

SATURDAY, *November 28, 1903.*

Mr. Chairman and gentlemen, this committee appears before you representing, as it believes, practically the united opinions and wishes of the manufacturing, importing, jobbing, and retail interests of the jewelry and kindred trades of the United States. It is not here asking for an increase of protective duties; neither is it here to advocate the lowering of these duties, though in some instances they are imposed for revenue only, there being no protective feature in them, because of the fact that the articles upon which they are imposed are

neither found, mined, or manufactured in this country. But it is here for the purpose of trying to aid you in putting upon the statute books a law that, so far as the paragraphs relating to our particular business is concerned, shall be simple, concise, and unmistakable in its terms, so as to leave no possible room for misinterpretation or whimsical construction. I personally am particularly deputed to speak for the pearl-importing interests. We ask you to substitute for the clause relating to pearls, now reading as follows: "Pearls in their natural state, not strung or set, ten per centum ad valorem;" a clause reading like this: "Pearls, whether whole, split, drilled, or strung, but not mounted or set, ten per centum ad valorem; all imitations of pearls not mounted or set, twenty per centum ad valorem." This leaves out the present term employed "in their natural state."

No one wants to import pearls further manipulated than drilled, and drilled pearls we should consider to be pearls in their natural state. Pearls are among the few things that nature produces without requiring the aid of artisans or mechanics to make them useful and marketable as a complete and finished article. That particular language seems to have been responsible for the varying chaotic constructions placed upon the intent of the law. Some small shipments of pearls, though imported loose, in packages of various sizes and values, have been construed to be necklaces dutiable at 60 per cent ad valorem. This construction, with a stretch of the imagination, might almost be made to apply to all drilled pearls, for at least 90 per cent of them are finally used in that way. But if it was applied it would drive the price of pearl necklaces so high that nobody could afford to buy them in this country, thereby not only depriving the Government of the duties now collected on same but also depriving the legitimate American importer and dealer of the business he is rightfully entitled to. As a matter of fact, no one has ever paid 60 per cent duty on necklaces, or drilled pearls attempted to be construed as necklaces, imported, except in two instances which are now in litigation. In answer to the arguments that will undoubtedly be made that these articles of luxury should be made to bear a higher rate of duty, we respectfully submit that experience has shown that more than 10 per cent can not be collected, that is, that a higher duty, considering the small bulk of precious stones and pearls, encourages smuggling and that, as a matter of fact, during the existence of the 25 per cent duty under the Wilson tariff act the Government collected less duty than at any time before or since under a 10 per cent duty, and that during that period it was practically impossible for the honest merchant to import precious stones and pearls.

BRIEF SUBMITTED IN BEHALF OF THE IMPORTERS OF AND WHOLESALE AND RETAIL DEALERS IN PRECIOUS STONES AND PEARLS, WITH SUGGESTED SCHEDULE.

WASHINGTON, D. C.,
February 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, representing practically all of the importers of and wholesale and retail dealers in precious and imita-

tion stones and pearls, respectfully call the attention of your committee to some desired changes in the wording of the schedules affecting their business.

These changes can not materially affect the revenue which the Government derives from the goods covered by the schedules referred to, and if adopted they will make for simplicity and certainty, and so will greatly reduce the chances of litigation.

At the outset we wish to emphasize the point that we have separated all genuine stones from imitation stones or material. The first group consists of genuine precious stones, pearls, corals, shell, ivory, porcelain, paintings, and mosaics, for which we ask a uniform duty of 10 per centum ad valorem, and the second group, of imitations of the above articles, including also scientific, synthetic, and reconstructed stones and doublets, for which we ask a uniform duty of 20 per centum ad valorem.

We take the liberty of presenting herewith a draft of the proposed schedules, showing also the present schedules and all eliminations and additions, excepting the rate of duty on jewelry and parts thereof. New matter is italic; old matter to be left out is in brackets.

Par. 434. Articles commonly known as jewelry, and parts thereof, finished or unfinished, not specially provided for in this act [including precious stones set, pearls set or strung, and cameos in frames].

* * * * *

Par. 435. Diamonds and other precious stones advanced in condition or value from their natural state by cleaving, splitting, cutting, *drilling, engraving, ornamenting, decorating,* or other process and not set, 10 per centum ad valorem; imitations of diamonds or other precious stones *and compositions* of glass or paste [not exceeding an inch in dimensions], *whether or not engraved, painted, or otherwise ornamented or decorated, if suitable for jewelry purposes, scientific, synthetic, and reconstructed stones and doublets, whether composed wholly of precious stones or in part of paste or glass* and not mounted or set, 20 per centum ad valorem.

Par. 436. Pearls [in their natural state, not strung or set], *whether whole, split, drilled, matched, or strung, but not clasped, mounted,* or set, 10 per centum ad valorem; *all imitations of pearls not mounted or set, 20 per centum ad valorem.*

Par. 436b. *Articles made of coral, shell, or ivory; porcelain paintings, and mosaics, if suitable for jewelry purposes and not set or mounted, 10 per centum ad valorem; all imitations of coral, shell, or ivory, porcelain paintings, and mosaics, if suitable for jewelry purposes and not set or mounted, 20 per centum ad valorem.*

Par. 115. Manufactures of agate, alabaster, chalcedony, chrysolite, coral, carnelian, garnet, jasper, jet, malachite, marble, onyx, rock crystal or spar, *designed for industrial purposes and not suitable for jewelry purposes,* including clock cases with or without movements, not specially provided for in this act, 50 per centum ad valorem.

Free list.

Par. 545. Diamonds and other precious stones, rough or uncut, and not advanced in condition or value [from their natural state] by cleaving, splitting, cutting, or other process, including miners', glaziers', and engravers' diamonds not set, and diamond dust or bort.

Taking this draft up by paragraphs, we submit the following:

Par. 434. Changes in this paragraph affecting jewelry will be suggested to your committee by the manufacturers of jewelry; we are interested in the elimination of the words "including precious stones set, pearls set or strung, and cameos in frames."

"Precious stones set" has been held to include only precious stones set as jewelry.

In re John Hope & Sons Engraving and Manufacturing Company, 100 Fed. Rep., 286 (1900).

This is in line with the settled view of the jewelry trade, and of course includes pearls set and corals set as well.

These last two precious substances are not "stones" in the narrow meaning of the word, but they have been included in the term "precious stones" by all writers on this subject, and the courts have always construed the law to so include them under the comprehensive term "precious stones."

"Precious stones" was deemed to be a trade term which included not only the diamond, sapphire, emerald, *pearl*, opal, and turquoise, but also the garnet, beryl, * * *

Hahn v. United States, 100 Fed. Rep., 635: "All varieties of coral, without regard to value, suitable for use in the construction of jewelry, * * * were held dutiable at 10 per cent as precious stones * * *."—(G. A., 6584; T. D., 28131.)

See also T. D., 29184, No. 19466, July, 1908: "Imitation whole and half pearls, * * * are dutiable as imitation precious stones * * *." *United States v. Weinberg*, 139 Fed. Rep., 1006: "Imitation coral designed for use in the manufacture of cheap jewelry held to be dutiable as imitation precious stones."—(G. A., 6236; T. D., 26922.)

"Pearls set" therefore fall into the same class as "precious stones set," and if they be "strung" with a clasp, making a complete article of personal ornamentation, they also come within the term "jewelry" and would pay duty assessed under the jewelry paragraph.

"Cameos in frames" has been carried along from the act of 1890, but the trade is at a loss to know what article is referred to under this designation, as there are no "cameos in frames" imported.

If the paragraph refers to cameos of any kind mounted or set as jewelry—that is, mounted or set in such a way that they can be worn as personal adornment—we submit that they are included in the word "jewelry;" if the act of 1897 refers to some other article, it has no place in the jewelry or precious-stone paragraph.

We shall take up the words "or strung" in discussing the pearl schedule.

It is suggested in the information prepared for your committee that these references to precious stones, pearls, and cameos be supplemented by the addition of "corals set" in the jewelry paragraph.

"Corals set" is "jewelry," and the singling out of certain precious stones "set," in the proposed new schedule is a mistake.

Any stones set as "jewelry" are included in the term jewelry, be they precious or imitation or simply some substance like shell, ivory, mosaic, porcelain, or glass or paste composition which does not imitate a precious stone.

The Board of General Appraisers in a recent decision (G. A., 6819, T. D., 29304, October 16, 1908), following *United States v.*

Knoedler (154 Fed. Rep., 928), held: "That umbrella and cane handles composed of precious metal set with genuine diamonds, pearls, etc., the precious stones being the element of chief value therein, are not dutiable as precious stones set, that *phrase being restricted to precious stones set as jewelry.*"

It is therefore clear that *all stones, pearls, corals, etc., set as jewelry* would be covered by the word jewelry, and the retention of the words "precious stones set, pearls, set or strung, and cameos in frames," is surplusage, confusing, and likely to breed litigation.

Par. 435. We respectfully ask that this paragraph be rewritten as follows: "Diamonds and other precious stones advanced in condition or value from their natural state by cleaving, splitting, cutting, *drilling, engraving, ornamenting, decorating, or other process,* and not set, 10 per centum ad valorem; imitations of diamonds or other precious stones, *and compositions of glass or paste [not exceeding an inch in dimensions], whether or not engraved, painted, or otherwise ornamented or decorated, if suitable for jewelry purposes, scientific, synthetic, and reconstructed stones, and doublets, whether composed wholly of precious stones or in part of paste or glass, and not mounted or set, 20 per centum ad valorem.*"

The term "Diamonds and other precious stones" is a very comprehensive one, as the courts have pointed out. (*Hahn v. United States*, 100 Fed. Rep., 635, 1900. *United States v. Benedict*, 145 Fed. Rep., 914, 1906. *United States v. American Gem & Pearl Company*, 142 Fed. Rep., 283, 1905.)

"Precious stones" embraces a very long list of precious minerals suitable for use in jewelry—sometimes these stones are known under two or more names, but it is safe to say that there are upward of 125 different names for probably 100 varieties of precious stones. (See Exhibit A.)

In the case of *Hahn v. United States*, 100 Fed. Rep., 635, the phrase "precious stones" was deemed to be a trade name which included "not only the diamond, sapphire, emerald, pearl, opal, and turquoise, but also the garnet, beryl, topaz, rock crystal, lapis lazuli, agate, onyx, jade, amethyst, tiger-eye, chalcedony, bloodstone, moonstone, tourmaline, chrysoprase, etc. * * *"

Some of these stones are faceted, some are ground with a convex or cabochon cut, some are carved in relief producing the cameo, or reversely the intaglio, some are partly drilled, others drilled all the way through, some are carved intaglio and painted in colors, while others have been decorated or incrustated with designs.

These processes are applied to the different stones as the fashion or trade demand dictates—emeralds, rubies, and opals are drilled, as well as the humbler amethyst or onyx; in fact, no matter what the process, excepting always mounting or setting, there is no reason why any particular precious stone should be removed from the general classification.

Under the act of 1897 the courts have held that "drilling, engraving, ornamenting, and decorating," which we ask to be inserted in paragraph 435, are covered by the words "or other process." *United States v. American Gem and Pearl Company*, 142 Fed. Rep., 283; *United States v. Benedict*, 145 Fed. Rep., 914.)

In the same paragraph we have added the words "*and composition*" in order to cover compositions of glass or paste which are used

as imitations of precious stones, but which do not actually imitate any known genuine stone.

“Multicolored stones not in imitation of any known precious stone” were held to be dutiable as “imitations of precious stones.”—(G. A., 6155, T. D., 26723, 1905.)

We insert the words “whether or” before “not engraved, painted, or otherwise ornamented or decorated,” thus reversing the present provisions.

We do this because we fail to see the reason for excepting imitations of precious stones and compositions of glass or paste because they are “engraved, painted, or otherwise ornamented or decorated” as long as they are of the same general type and class as the other imitations covered by this schedule.

The only possible reason for these restrictions in the present act, as well as the words “not exceeding an inch in dimensions,” which we also ask the committee to eliminate, may be the fear that some articles properly taxable under some other schedule might be construed to be dutiable at a lower rate under paragraph 435.

We think we have fully met any such objection by the proposed insertions of the qualifying words “*if suitable for jewelry purposes.*”

Under the present act an imitation precious stone 25 millimeters [1 inch] in two dimensions pays 20 per cent as an imitation of a precious stone; if its dimensions are 26 millimeters or a hairbreadth over an inch it goes into the glass and glassware schedule at 45 per cent.

We submit herewith samples of imitation stones both under and over one inch in two dimensions, both unmounted and mounted.

These stones are used for identically the same purposes, viz, pins, brooches, hat pins, buckles, pendants, etc.

The American jewelry manufacturer with the duty rate of 20 per centum ad valorem on all sizes of these stones will be able to compete with the foreign jewelry imported at a proper rate of duty, as the stones set in the imported jewelry must also pay the higher jewelry rate, and this partly offsets the cheaper cost of making jewelry in Europe; but 45 per cent duty on these imitation stones absolutely prevents the American jewelry manufacturer from so competing.

The arbitrary limitation of “one inch in dimensions” was probably put in the acts of 1890, 1894, and 1897 to prevent such importations of colored glass under the imitation stone schedule which ought properly be entered under the glass and glassware schedule.

There is a demand for imitation precious stones for jewelry purposes exceeding 1 inch in two dimensions, while at the same time it has been possible to import glass or composition of paste under the precious stone schedule which is *not suitable for jewelry purposes*, although less than 1 inch in dimensions.

In G. A., 5687, T. D., 25329, it was held that imitations of precious stones used as stove ornaments or in lamps, if within the limitation of “one inch in dimensions,” were dutiable under paragraph 435 and not under paragraph 112.

See also G. A., 3408, T. D., 16980.

The courts and the Board of General Appraisers have used the expression “*suitable for jewelry purposes*” and similar expressions to distinguish such purposes from others which might exclude importations from paragraph 435 as follows:

"Agates cut into form *usually employed for jewelry purposes.*"—(G. A., 5768, T. D., 25525.)

"Corals * * * *suitable for use in the construction of jewelry.*"—(G. A., 6584, T. D., 28131.)

"Garnets * * * *suitable for jewelry purposes.*"—(G. A., 5091, T. D., 23559.)

"Keystones * * * *intended to be mounted for jewelry purposes.*"—(G. A., 5915, T. D., 26014.)

"Rock crystal balls * * * on the ground that they were *suitable for jewelry purposes.*"—(G. A., 6301, T. D., 27160.)

"Tiger-eye cut in forms *suitable for use in manufacturing jewelry.*"—(G. A., 5768, T. D., 25525.)

"So-called incusted stones and other imitations of precious and semiprecious stones composed of glass and *used in the manufacture of cheap jewelry* are dutiable as imitations of precious stones."—(Lorsch v. United States, 119 Fed. Rep., 476.)

"The provisions of this paragraph relate to precious stones *prepared to be set in articles of jewelry * * *.*"—(Smith v. Computing Scale Company, 147 Fed. Rep., 890, T. D. 27263.)

"Pieces of hematite, * * * *suitable "for jewelry settings exclusively."*"—(G. A., 6669, T. D., 28437.)

A number of similar decisions were made under the acts of 1894 and 1890.

Notwithstanding the fact that so-called reconstructed, scientific, and synthetic rubies and so-called reconstructed emeralds have after litigation been held dutiable as precious stones, the importers of these artificial stones unanimously voted to ask your committee that they be classified with imitations of precious stones in the future at 20 per centum ad valorem, instead of 10 per centum ad valorem which they pay at present.—(G. A., 6336, T. D., 27278; G. A., 6637, T. D., 28295.)

We also include doublets specifically among imitation stones, in spite of the fact that it is possible to make a doublet entirely of genuine precious stones as well as partly of precious stone and partly of glass—the importers are willing to have all doublets classified at 20 per centum ad valorem.

A new paragraph is suggested, which for convenience we call 436b—to take care of articles made of coral, shell, ivory, porcelain paintings, and mosaics, *if suitable for jewelry purposes*, and not set or mounted, at 10 per centum ad valorem; all imitations of coral, shell, ivory, porcelain paintings, and mosaics, *if suitable for jewelry purposes*, and not set or mounted, at 20 per centum ad valorem.

This new paragraph covers coral which has been held to be a precious stone and therefore does not change the rate of duty now collected on this article.

Hitherto the trifling importations of shell cameos, ivory paintings, porcelain paintings, and mosaics, *suitable for mounting into jewelry* have been assessed under a number of remote schedules as follows:

Shell cameos have been held to be included in miscellaneous manufactures under paragraph 450, although they have always been recognized as properly belonging to the precious-stone line.

Ivory paintings are now assessed under paragraph 454 of miscellaneous manufactures, although the ivories which are *suitable for jewelry purposes* should have no place in the "art" schedule.

Porcelain paintings, though clearly *suitable for jewelry purposes only*, are now dutiable under the earthenware and china schedule and are assessed at 60 per centum ad valorem.

Mosaics are rarely imported *for jewelry purposes*, but when they come in, the only schedule which seems to cover these beautiful little bits of raw material for the jeweler's art is in paragraph 120, covering slate chimney pieces, roofing slates, etc.

Uniformity of the tariff, where it does not materially affect the revenue, is certainly a consummation to be wished for, and the suggestion of 10 per centum ad valorem on all genuine stones and articles and 20 per centum ad valorem on all imitations thereof, providing always that the stones and articles are not mounted or set and are *suitable for jewelry purposes*, is respectfully urged for your consideration.

It is suggested by your committee's expert that paragraph 435 be amended so as to provide for diamonds, rubies, sapphires, and emeralds without regard to size, and for other precious stones and jewels *not exceeding 1 inch in any one dimension*; and that all such precious stones exceeding an inch in any one dimension be taken from the precious stone paragraph and scheduled as articles of mineral substance at some advanced rate of duty.

The attention of the committee is respectfully called to the fact that while certain qualities of diamonds, rubies, sapphires, and emeralds are generally more valuable than other precious stones, there are a number of precious stones where the fine or specimen pieces are *many times more valuable than at least three of the stones above enumerated*.

Inferior qualities of rubies, sapphires, and emeralds can be purchased for a few dollars a carat, whereas it is possible to pay \$50 and upward a carat for fine alexandrites, sphenes, catseyes, spinels, opals, precious topaz, etc.

If an inch in one dimension was the limit of size, it would either shut out the largest and probably most valuable of these gems or offer special inducements for undervaluation and smuggling.

This limit of 1 inch might also prevent the importation of important specimens of aquamarines, amethyst, topaz, peridot, etc., through legitimate channels.

Regarding the expert's comments on paragraph 115, it is respectfully submitted that this paragraph was never intended to cover or refer to precious stones or stones *suitable for jewelry purposes*.

We shall take this paragraph up later and will propose a slight change in its wording to conform to the decisions and prevent further litigation.

The suggestion, therefore, that precious stones should be arbitrarily divided into different classes and further subdivided according to size *should not receive serious consideration at the hands of your committee*.

Regarding the proposed amended or reconstructed provision which insists upon excluding certain kinds of imitation stones such as are "engraved, painted, decorated, or ornamented," we beg to say that there does not seem to be any reason for so excluding this group of imitation or paste stones.

This is all raw material for cheap or popular jewelry, and there is no reason why certain colors or combinations of glass or paste

should pay twice as much as other colors or combinations. There is no question of protection involved, unless indeed it be the question of affording protection to the manufacturer of American cheap jewelry who is now so strongly pressed by his German competitor.

As we have stated before, the importer does not ask for rates which will materially affect the revenue, but does plead for uniform schedules so that he can tell with measurable certainty under which schedule a stone or its imitation is to be entered.

We call your attention further to paragraph 436 which now reads: "Pearls in their natural state, not strung or set, ten per centum ad valorem;" for which we propose an amended paragraph as follows: "Pearls, whether whole, split, drilled, matched, or strung, but not mounted or set, 10 per centum ad valorem; all imitations of pearls not clasped, mounted, or set, 20 per centum ad valorem."

Pearls were not enumerated in the act of 1883—in the acts of 1890 and 1894 "pearls" were noted at 10 per centum ad valorem.

The reason for inserting the words "in their natural state, not strung or set," in the act of 1897 has always been an enigma to the trade.

Of all the precious stones and objects, pearls are unique in being adaptable for use in jewelry without grinding, cutting, polishing, or such other processes as are necessary to bring out the beauty of diamonds and other precious stones—all pearls therefore are in their "natural state" so long as they are not mounted or set as jewelry.

While many pearls are handled by dealers in the exact condition in which they are found in the mussel, many more are drilled and temporarily strung and arranged in bunches or masses in order to display them to the best advantage and enable buyers to see the shapes and quality without being obliged to take up and examine each pearl.

Pearls so strung are sometimes smaller than the head of an ordinary pin, and from this they range upward to the more important sizes.

In no event does the drilling enhance the value of a pearl; on the contrary, it restricts the uses to which it can be put, and therefore pearls that are drilled have a lesser rather than a greater value than undrilled ones.

Pearls are sometimes improved by removing a poor outer skin, although there is generally no way of detecting if this has been done.

Another method of preparing pearls for jewelry purposes is to saw them and so produce what are called half pearls.

All of these processes leave the pearl in its "natural state" under any rational construction of these words, and the courts have tried very hard to give effect to such a construction.

The words of exception "not strung or set" are understood by us to emphasize the fact that pearls in this condition are not complete articles of jewelry and are therefore dutiable at 10 per centum ad valorem.

"Drilled pearls, unassorted and unmatched, and of various sizes, colors, and qualities, but not set or strung, are dutiable by similitude as pearls in their natural state, not strung or set, at the rate of 10 per centum ad valorem under this paragraph and section 7, tariff of 1897."—(*Tiffany v. United States*, 112 Fed. Rep., 672; G. A., 5149; T. D., 23751.)

See also *Neresheimer v. United States*, 136 Fed. Rep., 86, and G. A., 5899; T. D., 25986: "Drilled pearls strung on cotton cord were held to be dutiable at 10 per cent as pearls in their natural state and not at 60 per cent as pearls set or strung, the board finding that the stringing was done merely for convenience in transportation, and that pearls in this condition are not known in the jewelry trade as pearls strung."—(G. A., 5892; T. D., 25966.)

Here we have two cases where "drilled pearls loose" and "drilled pearls strung" were decided to be "pearls in their natural state" and "pearls in their natural state not strung" and in *Hahn v. United States*, 131 Fed. Rep., 1000; T. D., 24873.

See also *Citroen v. United States*, United States circuit court of appeals, second circuit, January 12, 1909, reversing *United States v. Citroen*, June 2, 1908, reported in T. D., 29124, and sustaining the board of United States General Appraisers.—(G. A., 6617; T. D., 28246.)

The court decided that "half pearls produced by sawing away the imperfect portion of true pearls were dutiable at 10 per cent by similitude to pearls in their natural state."

Nothing would have been left of this paragraph besides the word "pearls" and the words "or set" if the courts had not felt that Congress must have had the intention to except some kind of pearls from the general designation, and they therefore decided that collections of pearls which had been or might be used as necklaces were dutiable practically as jewelry, notwithstanding the fact that they were not "literally" strung, or the further important fact that "drilled" pearls and pearls strung for the sake of convenience had been adjudicated by the same courts as being pearls in their "natural state," and therefore dutiable at 10 per cent ad valorem.

The reasoning for such a distinction is hard to follow. If we admit, for the sake of argument, that pearls, carefully matched and sufficient in number to be formed into a necklace, have a larger collective value than the value of the units of the necklace, it is only a way of saying that this can be taken into consideration by the appraiser in estimating the value of the collection.

The same consideration is undoubtedly present where a pair of finely matched rubies, emeralds, or even pearls are appraised at the custom-house.

Pairs and sets of unmounted precious stones suitable for earrings, studs, or necklaces have never been considered otherwise than "precious stones unmounted," and there does not appear to be a logical reason for applying a different rule to pearls.

Drilled pearls, therefore, whether temporarily strung *without a clasp* or imported loosely in lots which might be formed into a necklace, should not be singled out and placed in a class by themselves any more than a collection of loose diamonds suitable for a necklace and so imported would be singled out to pay six times the duty which is now assessed on other cut diamonds.

Pearls were scheduled at 10 per centum ad valorem in the act of 1890 and remained at that rate of duty even in the act of 1894, where the duty on precious stones was increased to 25 per centum ad valorem and uncut precious stones were taken from the free list and scheduled at 10 per centum ad valorem.

The disastrous effects of these increases in duty, both on the revenue and on the business of reputable dealers in precious stones, is a matter of record.

In 1892, two years before the act of 1894, imports of precious stones, cut and uncut, were \$14,521,851; two years after that act the imports *through the custom-house* dropped to \$4,618,991. Two years after the act of 1897, when the duty on precious stones had been reduced to 10 per centum ad valorem and the duty on uncut stones had been removed, the imports rose to \$17,208,531.

Some shipments of pearls, though imported loose in packages of various sizes and values, have been construed to be necklaces at 60 per centum ad valorem.

This construction might apply to all drilled pearls (even by a stretch of the imagination to undrilled pearls), for it is estimated that most of the drilled and many of the undrilled pearls are made into necklaces—surely all of them are finally made into jewelry.

Therefore, if pearls suitable for jewelry are to be taxed 60 per cent, this necessarily includes all pearls, drilled and undrilled.

If this rule were applied it would drive the price of pearls and pearl necklaces so high that nobody could afford to buy them in this country, thereby not only depriving the Government of the duties now collected on pearls, but also depriving the legitimate American importer and dealer of the business he is rightfully entitled to.

As a matter of fact, no one has ever paid 60 per cent duty on pearl necklaces or drilled pearls, construed to be necklaces, except in two instances which are now in litigation.

While importers of drilled pearls have not paid over 10 per cent duty the impression is general among wealthy people who go abroad that strung pearls are dutiable at 60 per cent, and the retail dealers in London and Paris do not hesitate to confirm this mistake in order to sell pearl necklaces to Americans.

The temptation for tourists to smuggle an article of great value in order to save 60 per cent duty is probably geometrically greater than the temptation would be to smuggle the same article in order to save only 10 per cent, and under the proposed schedule it is safe to assume that many private persons would declare pearls if they knew the duty was but 10 per cent.

The fact that diamonds pay but 10 per cent duty has greatly reduced the sale of these gems to Americans when they are abroad. Greater confidence in the home dealer has gone far to prevent these purchases; the exception has been pearls, and here the supposed substantial saving has often been the make weight which has deprived the American merchant of the business and the American Government of the 10 per cent duty which would have been paid on innumerable valuable pearl necklaces which have been smuggled by private parties during the past few years.

In answer to the arguments that may be made, that these articles of luxury should be made to bear a higher rate of duty, we respectfully submit that experience has shown that more than 10 per cent can not be collected—that is, that a high duty, considering the small bulk of precious stones and pearls, encourages smuggling and undervaluation—and that as a matter of fact it has been proven that the Government will probably collect less duty on precious stones at 25

per cent than at 10 per cent, while the honest merchant is practically put out of business.

Taking up paragraph 115, we suggest that this paragraph be amended by the insertion of the words "designed for industrial purposes and not suitable for jewelry purposes" after the word "spar."

This will bring the paragraph squarely within the recent decision of the Board of General Appraisers (G. A., 6825, T. D., 29337, Nov. 6, 1908), where it was held that:

"Small pieces of agate, carnelian, garnet, jasper, onyx, etc., advanced in condition or value from their natural state by cutting, polishing, or other process, for the *purpose of fitting them for use as setting for jewelry*, the same being unset and belonging to the group of precious stones known and dealt in in trade under their specific names, such as 'agates,' 'garnet,' 'rock crystal,' etc., are dutiable as 'precious stones' under paragraph 435, and not as manufactures of agate, etc., under paragraph 115, tariff act of 1897."—(United States *v. Benedict*, 145 Fed. Rep., 514; *Hahn v. United States*, 100 Fed. Rep., 635; *Erhardt v. Hahn*, 55 Fed. Rep., 273; *Hartsanft v. Weigmann*, 121 U. S., 615, followed *United States v. Lorsch*, 158 Fed. Rep., 398, distinguished.)

It is suggested by your expert that the words agate, chalcedony, chrysolite, coral, carnelian, garnet, jasper, rock crystal, and spar be stricken from paragraph 115, and in this manner all "manufactures" of these stones would fall under "articles of mineral substance" (paragraph 97).

This would partly straighten the tangle, but it would still leave jet, malachite, and onyx to be the subjects for further litigation.

Genuine jet is rarely imported for jewelry purposes, but malachite and onyx are not uncommon.

It is believed that the "onyx" referred to in paragraph 115 is not onyx (quartz) at all but a species of marble, one variety of which is known as "Mexican" onyx.

We think our suggestion of the insertion of the words "not suitable for jewelry purposes" would be the surer and safer way to amend paragraph 115, as it would leave all "manufactures" of the various stones enumerated in that paragraph subject to 50 per cent duty.

We also submit a collection of stones to show your committee the various kinds of stones upon which the Government has been assessing duty at 10 per cent ad valorem for ten years under paragraph 435, and 50 per cent during the past year on the same variety under paragraph 115.

It is true this duty of 50 per cent has been collected because of a special Treasury order, against which the importers protested, and which protest has been sustained by the Board of General Appraisers (G. A. 6825, T. D. 29337, Nov. 6, 1908); but we submit that the tariff schedules should be made so clear that such a disturbing order could not be issued.

We have no suggestions to make concerning paragraph 545 other than the elimination of the words "from their natural state" and the request that your committee either leave this paragraph exactly as it is, with this change, or if any other change is made, that great care be exercised in retaining "diamonds and other precious stones, rough or uncut, and not advanced in condition or value (from their

natural state) by cleaving, splitting, cutting, or other process," *on the free list*, as the diamond-cutting industry in this country depends absolutely on the protective duty of 10 per cent on cut stones and *free* rough diamonds for its existence.

All of which is respectfully submitted.

ALFRED KROWER,
 JACOB GOODFRIEND,
 LUDWIG NISSEN,
 EDWARD E. HARNED,
 MEYER D. ROTHSCHILD,
Committee.

Authorized to represent the undersigned importers of diamonds, pearls, and other precious stones, cutters of diamonds and precious stones, lapidaries, gem cutters and engravers, importers and dealers in precious and imitation stones, and retailers of fine jewelry.

F. W. Bromberg, Birmingham, Ala.; O. A. Hesla Company, Prescott, Ariz.; Chas. S. Stiff, Little Rock, Ark.; The American Jewelry Company, Bakersfield, Cal.; Birnbaum Bros., Los Angeles, Cal.; Brock & Feagans, Los Angeles, Cal.; S. Nordlinger & Sons, Los Angeles, Cal.; The Baldwin Jewelry Company, San Francisco, Cal.; M. Schussler & Co. (Incorporated), San Francisco, Cal.; Shreve & Co., San Francisco, Cal.; W. K. Vanderslice Company, San Francisco, Cal.; Chas. Haas & Son, Stockton, Cal.; J. C. Bloom & Co., Denver, Colo.; The W. W. Hamilton Jewelry Company, Denver, Colo.; Hansel, Sloan & Co., Hartford, Conn.; The Ford Company, New Haven, Conn.; Galt & Bros., Washington, D. C.; Greenleaf & Crosby Company, Jacksonville, Fla.; Hyman Berg & Co., Chicago, Ill.; Juergens & Anderson Company, Chicago, Ill.; Lapp & Flershem, Chicago, Ill.; Norris Alister & Co., Chicago, Ill.; C. D. Peacock, Chicago, Ill.; Spaulding & Co., Chicago, Ill.; Julius C. Walk & Son, Indianapolis, Ind.; E. H. Carpenter & Son, Burlington, Iowa; Wm. H. Beck Company, Sioux City, Iowa; Rudolph H. Baude, Louisville, Ky.; A. B. Griswold & Co., New Orleans, La.; Leonard Krower, New Orleans, La.; Wm. Senter & Co., Portland, Me.; The James R. Armiger Company, Baltimore, Md.; Hennegen-Bates Company, Baltimore, Md.; Saml. Kirk & Son Company, Baltimore, Md.; Maynard & Potter (Incorporated), Boston, Mass.; Shreve, Crump & Low Company, Boston, Mass.; Smith-Patterson Company, Boston, Mass.; A. Stowell & Co., Boston, Mass.; Wright Kay & Co., Detroit, Mich.; Charles W. Warren & Co., Detroit, Mich.; J. B. Hudson & Son, Minneapolis, Minn.; S. Jacobs & Co., Minneapolis, Minn.; Weld & Sons, Minneapolis, Minn.; White & MacNaught, Minneapolis, Minn.; Cady & Olmstead Jewelry Company, Kansas City, Mo.; Jaccard Jewelry Corporation, Kansas City, Mo.; J. R. Mercer, Kansas City,

Mo.; F. W. Drosten Jewelry Company, St. Louis, Mo.; Eisenstadt Manufacturing Company, St. Louis, Mo.; A. Kurtzborn & Sons, St. Louis, Mo.; Mermod, Jaccard & King Jewelry Company, St. Louis, Mo.; Whelan, Aehle, Hutchinson Company, St. Louis, Mo.; J. L. Teeters & Co., Lincoln, Nebr.; Albert Edholm, Omaha, Nebr.; A. F. Smith & Co., Omaha, Nebr.; L. A. Piaget & Co., Paterson, N. J.; T. W. Rowe, Trenton, N. J.; Charles Adlers' Sons, New York, N. Y.; American Gem and Pearl Company, New York, N. Y.; Arnstein Brothers, New York, N. Y.; Wm. Barthman, New York, N. Y.; Benedict & Warner, New York, N. Y.; Bonner & Co., New York, N. Y.; Bonner Manufacturing Company, New York, N. Y.; R. A. Breidenbach, New York, N. Y.; Maurice Brower, New York, N. Y.; C. Cottier & Son, New York, N. Y.; Eichberg & Co., New York, N. Y.; Eisenmann Brothers, New York, N. Y.; Fox & Co., New York, N. Y.; Jos. Frankel's Sons, New York, N. Y.; Jules Franklin, New York, N. Y.; E. M. Gattle & Co, New York, N. Y.; David L. Gluck, New York, N. Y.; Goodfriend Brothers, New York, N. Y.; Adolf J. Grinberg & Son, New York, N. Y.; L. Heller & Son, New York, N. Y.; Himalaya Mining Company, New York, N. Y.; Sig. Hirschberg, New York, N. Y.; Nathan Hyman & Co., New York, N. Y.; The International Gem Company, New York, N. Y.; Jacobson Brothers, New York, N. Y.; L. & M. Kahn & Co., New York, N. Y.; J. Ed. Kingsland, New York, N. Y.; H. C. Kionka & Co., New York, N. Y.; Theo. A. Kohn & Son, New York, N. Y.; Geo. W. Korper, New York, N. Y.; Jac Kryn & Wauters, New York, N. Y.; John Lamont & Son, New York, N. Y.; Albert Lorsch & Co., New York, N. Y.; Low & Florenzie, New York, N. Y.; Ludeke & Heiser, New York, N. Y.; Julius Mamluck & Co., New York, N. Y.; Marchand Frères, New York, N. Y.; Louis Marx, New York, N. Y.; L. Meisel & Co., New York, N. Y.; L. Misrah, New York, N. Y.; R. G. Monroe & Co., New York, N. Y.; Moser & Whyte, New York, N. Y.; Mount & Woodhull, New York, N. Y.; S. Nathan & Co., New York, N. Y.; Ludwig Nissen & Co., New York, N. Y.; H. Nordlinger's Sons, New York, N. Y.; Henry E. Oppenheimer & Co., New York, N. Y.; Oppenheimer Brothers & Veith, New York, N. Y.; Patterson & Stark, New York, N. Y.; Reichman Brothers, New York, N. Y.; Saunders, Meurer & Co., New York, N. Y.; L. Schuler & Son, New York, N. Y.; Wm. Seckel, New York, N. Y.; Alfred H. Smith & Co., New York, N. Y.; Estate Theo. B. Starr, New York, N. Y.; Stern Brothers & Co., New York, N. Y.; Louis Strasburger's Sons & Co., New York, N. Y.; L. Tannenbaum & Co., New York, N. Y.; Van Antwerpen Vanden Bosch & Co.,

New York, N. Y.; Van Gelder Brothers, New York, N. Y.; S. L. Van Wezel, New York, N. Y.; C. Irving Washburn, New York, N. Y.; Hayden W. Wheeler & Co., New York, N. Y.; Herbert Wild, New York, N. Y.; J. R. Wood & Sons, New York, N. Y.; Zimmerman, Rees & Son, New York, N. Y.; Arthur M. Field Company, Asheville, N. C.; The Bowler & Burdick Company, Cleveland, Ohio; The Cowell & Hubbard Company, Cleveland Ohio; The Webb C. Ball Watch Company, Cleveland, Ohio; The Frank Herschede Company, Cincinnati, Ohio; The Oskamp-Nolting Company, Cincinnati, Ohio; Augustus Rhoades, Lancaster, Pa.; Bailey, Banks & Biddle Company, Philadelphia, Pa.; J. E. Caldwell & Co., Philadelphia, Pa.; S. Kind & Sons, Philadelphia, Pa.; Z. J. Pequignot, Philadelphia, Pa.; J. C. Grogan Company, Pittsburg, Pa.; The Hardy & Hayes Company, Pittsburg, Pa.; J. M. Roberts & Son Company, Pittsburg, Pa.; W. W. Wattles Sons, Pittsburg, Pa.; Sylvan Brothers, Columbia, S. C.; Geo. T. Brodnax (Incorporated), Memphis, Tenn.; C. J. Kleine, San Antonio, Tex.; Richard Vaeth, Tacoma, Wash.; Chas. N. Hancher, Wheeling, W. Va.; Alsted Kasten Co., Milwaukee, Wis.; C. Preusser Jewelry Company, Milwaukee, Wis.

EXHIBIT A.

Achroite (white tourmaline).
 Adularia (moonstone).
 Agate.
 Alexandrite.
 Almandine.
 Amazonite.
 American ruby (garnet).
 Amethyst, American.
 Amethyst, Brazilian.
 Amethyst, Siberian.
 Amethyst, Uruguay.
 Andalusite (chiastolite).
 Aquamarine.
 Arizona ruby (garnet).
 Arkansas diamond (quartz)
 Asterias (star stone).
 Aventurine.
 Azurite malachite.

B.

Balas ruby (spinel).
 Beryl.
 Bobrovka garnet (demantoid).
 Bloodstone (heliotrope).
 Brazilian emerald (green tourmaline).
 Brazilian ruby (pink topaz).
 Brazilian sapphire (blue topaz).

C.

Cairngorm (quartz topaz).
 Californite (vesuvianite).
 Cape ruby (garnet).
 Carnelian.
 Catseye.
 Chiastolite.
 Chlorastrolite.
 Chloromelanite (jadeite).
 Chrysoberyl.
 Chrysocolla.
 Chrysolite (peridot).
 Chrysoprase.
 Colorado ruby (garnet).
 Cordierite (iolite).
 Crocodolite (tiger eye).

D.

Demantoid (olivine).
 Dichroite (iolite).

E.

Emerald.
 Epidote.
 Essonite.

F.

Fancy sapphire.

G.	P.
Garnet.	Peridot (true olivine).
Golden beryl.	Persian turquoise matrix.
Grossularite (garnet).	Pink topaz.
	Pistacite (epidote).
	Pyrope (Bohemian garnet).
H.	R.
Haematite.	Rhodolite (garnet).
Hair stone.	Rhodonite.
Heliotrope (bloodstone).	Rock crystal.
Hyacinth (garnet).	Rose quartz.
Hiddenite (green spodumene).	Rubellite (tourmaline).
	Rubicelle (yellow spinel).
	Ruby.
	Ruby (Siam).
I.	S.
Idocrase (Californite).	Sapphire d'eau (iolite).
Imperial yu stone (green aventurine).	Sapphire (Ceylon).
Inca stone (iron pyrites).	Sapphire (Burma).
Indicolite (tourmaline).	Sapphire (Montana).
Iolite.	Sapphire (Australian).
	Sapphire (Cashmere).
	Sapphire (yellow).
	Sapphire (green).
	Sapphire (pink).
	Sapphire (white).
	Sapphire (violet).
	Sardonyx.
	Sodalite.
	Sphene (titanite).
	Spinel.
	Spodumene (kunzite).
	Star ruby.
	Star sapphire.
	Sunstone.
J.	T.
Jacinth (zircon).	Thompsonite.
Jade (Chinese).	Thulite.
Jade (New Zealand).	Tiger eye.
Jadeite (chloromelanite).	Topaz (Brazil).
Jargoon (zircon).	Topaz (precious).
Jasper.	Topaz (Madeira).
	Topaz (golden).
	Topaz (Spanish).
	Tourmaline.
	Turquoise.
K.	U.
Kunzite.	Utablite (variscite).
	Uralian emerald (garnet).
	Uvarovite (garnet).
L.	V.
Labradorite.	Venus hair stone.
Lapis lazuli.	Vermeille (garnet).
	Vesuvianite.
	Variscite.
M.	W.
Malachite.	White sapphire.
Marcasite (iron pyrites).	White topaz.
Matura diamond (white zircon).	White spodumene (kunzite).
Montana sapphire.	
Moonstone.	
N.	Z.
Nephrite (jade).	Zircon.
O.	
Obsidian (volcanic glass).	
Odontolite (fossil turquoise).	
Oligoclase (sunstone).	
Olivine (garnet).	
Onyx.	
Opal, Australian.	
Opal, black.	
Opal, brecciated.	
Opal, Mexican.	
Opal, matrix.	
Orthoclase (sunstone).	

HIDES, LEATHER, AND SHOES.

[Paragraphs 437 and 438.]

**CHAS. N. PROUTY, SHOE MANUFACTURER, OF SPENCER, MASS.,
THINKS THAT DUTY ON SHOES SHOULD BE REMOVED.**LYONS, N. Y., *November 19, 1908.*

HON. SERENO E. PAYNE, M. C.,

House of Representatives, Washington, D. C.

DEAR SIR: I address you at the present time relative to the duty on hides, and I do not take my position as a tanner only, but for that which will be of the most benefit to the great majority of the people.

The present duty benefits the butcher and large packers only; it enables them to combine and virtually say what prices shall be paid and is very injudicious. It does not benefit the farmer by adding any increased price to his cattle, but works to his disadvantage on prices he is compelled to pay for his harness, shoes, and other leather articles, and this is true of every person, laborer, artisan, and all.

Therefore, as one of your constituents, I hope you may see your way clear to use your influence for the placing of hides on the free list, from which they, in my opinion, should never have been taken.

Yours, truly,

WM. TAYLOR.

**CHAS. N. PROUTY, SHOE MANUFACTURER, OF SPENCER, MASS.,
THINKS THAT DUTY ON HIDES SHOULD BE REMOVED.**SPENCER, MASS., *November 20, 1908.*

HON. SERENO E. PAYNE, M. C.,

Washington, D. C.

DEAR SIR: Please allow me to express my opinion in regard to the duty on hides.

We are, as tanners and shoe manufacturers, feeling very sensitive about this duty on hides. It seems to be an unwarranted thing to have this duty. Unless the necessity for revenue demands it, there does not seem to be any good reason for it, and the revenue is so small and the expense of collecting the revenue is such that it is not considered even in that respect very commendable. You see, there is an absolute shortage of hides in this country. Hides are a by-product, and the duty does not encourage raising cattle for the purpose of the hides, so that the benefit ordinarily enjoyed by the duty to encourage a trade is not realized in this case, but is very injurious to the industries of tanning and shoe manufacturing in our country. We are the great country for tanning leather, and a great deal of leather is shipped abroad and would be shipped just the same if the duty was not on hides, and when we rebate the duty on the manufactured product the Government gets no revenue, so that between the fact that we are not benefited by the duty in the encouragement of

the raising of cattle and that we get no benefit from the duty when leather is shipped abroad, there does not seem to be any good argument for the duty at the present time. We have the leather product for our own use, and what we do not need we can ship, and the Government is equally as well off so far as the shipment is concerned with or without a duty.

Now, another argument, the hide that is imported, when made into leather and the duty rebated, the foreign manufacturer gets his leather cheaper than the home manufacturer, which is a very unjust thing for our own people.

Another thing, this duty is most all on heavy hides. The lighter hides, under 12 pounds, as I understand it, are not dutiable, and that makes the heavy goods, the workingman's shoes, bear all the burden of this duty, which is another very objectionable thing.

Considering these facts, it seems to be a very unreasonable thing to retain this duty, and I hope you may exercise your influence to have it removed. While I am a protectionist from every reasonable point of view, I think this duty on hides has been a most unwise thing and should be removed for the benefit of every class of manufacturers, and more especially for the working people, who wear the heavy goods.

I think we should take a broad view and not put on a duty where it is not justly applied, especially in this or any case of a by-product, when it hampers a great industry instead of encouraging it. We were without it for thirty years and it was a compromise when put on to appease the western farmer, who really gets no benefit from it and has to pay a higher price for his foot wear.

Very respectfully,

CHAS. N. PROUTY.

**CERTAIN RETAIL SHOE MERCHANTS OF CHICAGO, ILL., PETITION
FOR REMOVAL OF THE DUTY FROM HIDES.**

CHICAGO, ILL., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As citizens of Illinois and retail shoe merchants of Chicago, we wish to ask you to do all in your power to have the tariff taken off of hides. As the supply of our domestic hides is by far too small to furnish raw material for our tanneries, free hides would be a very substantial measure of protection to all the industries connected with leather. The farmers do not derive any benefit from duty on hides; it goes to the packers, and they are surely not infant industry.

The principle of "protection" can not be made to apply to hides, because they are not an article of manufacture made in response to demand, but result incidentally from the slaughter of cattle for food, and by being put on the free list would give employment to the people on the large quantities of leather that would be manufactured into shoes, harnesses, belting, etc.

The prices of leather are higher to-day than they have ever been in the history of the business.

This is the result of manipulation by the packers, who control the sources of supply, which would be obviated if the duty on hides was removed.

Trusting you will aid in having the tariff on hides removed, we remain,

Very truly, yours,

De Muth & Co., 237 State street; N. B. Holden, 225 State street; Foreman Shoe Company; O'Connor & Goldberg; French, Shriner & Yrner; Henry Hassel, 91 Van Buren street; Streeter Brothers; the Cutler Shoe Company; Isidor L. Klein; F. E. Foster & Co.; the Rosenback Company, Masonic Temple.

THE CARRIAGE BUILDERS' NATIONAL ASSOCIATION PUTS ITSELF ON RECORD AS FAVORING FREE HIDES.

WILMINGTON, DEL., *November 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At the Twenty-ninth Annual Convention of the Carriage Builders' National Association, held in Cincinnati, Ohio, October 22, 23, and 24, 1901, the following resolutions were unanimously adopted:

Whereas in 1872 Congress, after a thorough and careful investigation, removed the duty of 10 per cent which had been put on hides to meet the exigencies of the civil war and placed imported hides on the free list, where they remained twenty-five years undisturbed by the tariff bills constructed by McKinley, Wilson, and Dingley.

Whereas the placing of an import duty of 15 per cent on hides in raw material on equal terms with other leather-producing countries, and so decreased cost of production as greatly benefited our users of leather, and so stimulated the export of leather and leather fabrics that they showed the largest percentage of increase of the twenty-four staple manufactured products exported from 1868 to 1898, being an increase of 0.1392 per cent.

Whereas the placing of an import duty of 15 per cent on hides in 1897 was not favored by either of our great national parties, was against the strong protest of Hon. James G. Blaine in 1890, was omitted from the McKinley bill, also the original Dingley bill as adopted in the House, and was only incorporated in the tariff bill of 1897 through an amendment of Senator Jones, of Nevada, and adopted as a caucus compromise to secure the vote of silver Senators thought necessary for its adoption.

Whereas this compromise placed a heavy burden on all our population, as all our people are in some way affected by the increased cost of leather, has disturbed our home trade, has interfered with our export trade of leather and leather fabrics, and is now causing such disturbance of values as is becoming dangerous to those manufacturing interests which are large users of leather.

Whereas the tariff bill refunds to the tanner the duty paid if the resulting leather is exported. Our foreign competitors are able to purchase our leather at so much less than our home manufacturers as to place us at serious disadvantage in competing with them on foreign trade.

Whereas foreign hides are a necessity in the production of leather for carriage manufacturers, our country not producing sufficient for requirements; to increase cost of our material is to the prejudice of the labor element in production.

The duty is not needed for revenue, nor does it furnish protection; does not increase the home production of hides, but increases the cost of leather fabrics and becomes a burdensome tax on our own people. The true status of the

question was clearly and forcibly stated by that wise statesman, the Hon. James G. Blaine, in his letter to the chairman of the Ways and Means Committee in 1890, when a duty on hides had been suggested: "It is a great mistake to take hides from the free list, where they have been for so many years. It is a slap in the face to the South American with whom we are trying to enlarge our trade. It will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes. It will yield a profit to the butcher only—the last man that needs it. The movement is injudicious from beginning to end—in every form and phase. Pray stop it before it sees light. Such movement as this for protection will protect the Republican party into a speedy retirement." Therefore, be it

Resolved, That the Carriage Builders' National Association in convention assembled at Cincinnati, Ohio, this 23rd day of October, 1901, earnestly petitions our national Congress, at the earliest opportunity to remove this unnecessary duty on imported hides, and again place them on the free list.

Resolved, That a printed copy of the preamble and resolutions be mailed by the secretary to each member of the Senate and House of Representatives on the convening of the national Congress in December.

These resolutions were again adopted at the convention of the association in Atlanta, Ga., October 23–25, 1906.

And at the thirty-sixth annual convention held in Chicago, Ill., on October 13–15, 1908, the matter of the tariff on hides was again considered and the following resolutions were adopted:

Resolved, That we indorse and reaffirm the resolutions adopted by this association at the conventions held in Cincinnati in 1901 and at Atlanta in 1906, urging the national Congress to remove the duty now on imported hides and have same placed on the free list.

Resolved, That the secretary of this association be instructed to send copies of this resolution and attach thereto copies of those resolutions hereby indorsed to each member of the special tariff committee appointed at the last national session to consider and report on tariff revision.

Yours, sincerely,

HENRY C. MCLEAR,
Secretary Carriage Builders' National Association.

THE CHICAGO FURNITURE MANUFACTURERS' ASSOCIATION RESOLVES THAT HIDES SHOULD BE PUT ON THE FREE LIST.

CHICAGO, *November 25, 1908.*

WILLIAM K. PAYNE,

*Secretary Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: The members of our association, a number of whom are large users of leather in the manufacture of their product, feel that the duty of 15 per cent now imposed on cattle hides imported into this country is unnecessary and unfair, and that in the revision of the tariff now under consideration that the duty should be entirely abolished and raw hides put on the free list.

A special meeting of our association was held on the 24th to consider the matter, at which time the following resolutions were adopted:

Whereas the furniture manufacturers use a great quantity of leather in the manufacture of upholstered furniture, chairs, desks, tables, and kindred goods, all of which leather is manufactured of cattle hides; and

Whereas the duty of 15 per cent imposed upon cattle hides by the Dingley tariff law of 1897 is unfair and works great harm to the industries mentioned by increasing the price of tanned cattle hides; and

Whereas we believe the removal of said tariff on hides will result beneficially to the masses of people of the country by lowering prices on all articles of furniture on which leather manufactured of cattle hides is largely used: Therefore be it

Resolved, That the Chicago Furniture Manufacturers' Association and its members hereby respectfully request the honorable Ways and Means Committee of the House of Representatives to recommend to and urge upon Congress that the said duty of 15 per cent on hides be abolished.

I was instructed to forward you a copy of them, with the request that they be presented at the hearing of this matter, which I understand is set for Saturday, the 28th.

I also inclose a list of the membership of our association.

That I may be sure that this reaches you safely I would thank you for the courtesy of an acknowledgment.

Very truly, yours,

P. D. FRANCIS,

Secretary Chicago Furniture Manufacturers' Association.

EXHIBIT A.

Membership of the Chicago Furniture Manufacturers' Association.—Art Bedstead Company, F. J. Barnes, Balkwill & Patch Furniture Company, Chicago Mission Furniture Company, Columbia Feather Company, Commercial Furniture Company, Empire Mattress Company, Findeisen & Kropf Manufacturing Company, Louis Hanson Company, Hafner Furniture Company, Johnson Chair Company, S. Karpen & Bros., Kinley Manufacturing Company, Kimball & Chappell Company, National Parlor Furniture Company, Louis F. Nonnast, A. Petersen & Co., George L. Peterson & Co., Schultz & Hirsch Company, Simmons Manufacturing Company, Tonk Manufacturing Company, Valentine-Seaver Company, Adams & Westlake Company, Bauerle & Stark Company, the Clementsen Company, Central Manufacturing Company, Century Parlor Furniture Company, Chicago Mirror and Art Glass Company, Ford & Johnson Company, Green Manufacturing Company, Haggard & Marcusson Company, Heywood Bros. & Wakefield Company, A. J. Johnson & Sons Furniture Company, Ketcham & Rothschild, Theo. A. Kochs Company, H. Z. Mallen & Co., H. C. Niemann & Co., Olbrich & Golbeck Company, Peck & Hills Furniture Company, the Seng Company, Schram Bros., Tyler & Hippach Company, Union Wire Mattress Company, Windsor Folding Bed Company.

HON. F. C. STEVENS, M. C., FILES LETTER OF W. A. HARDENBERGH,
PRESIDENT OF THE WHOLESALE SADDLERY ASSOCIATION OF
THE UNITED STATES, RELATIVE TO FREE HIDES.

WASHINGTON, November 25, 1908.

HON. SERENO E. PAYNE, M. C.,

*Chairman Committee on Ways and Means,
House of Representatives.*

MY DEAR MR. PAYNE: Inclosed herein find a letter from W. A. Hardenbergh, president of the Wholesale Saddlery Association of the United States.

I would request that it be placed before the committee and printed with the daily hearings.

Very truly, yours,

F. C. STEVENS.

THE WHOLESALE SADDLERY ASSOCIATION OF THE UNITED STATES,
St. Paul, Minn., November 19, 1908.

HON. FRED. C. STEVENS, M. C.,
House of Representatives, Washington, D. C.

MY DEAR SIR: In connection with the hearing on the tariff schedules which is now being held, and further action on these same matters when they come before the House, I am presuming to write you to secure if possible your good offices with a view of having hides again placed upon the free list.

Until the passage of the Dingley tariff, with the exception of a very short time—I believe in the sixties—these articles have always been admitted to this country free of duty. During the years when they were on the free list the leather industry and its collateral branches developed a most healthy growth and large markets were established in foreign countries by our manufacturers of leather.

During the few years just preceding the passage of the Dingley tariff our shoe manufacturers had broken into the European markets and were establishing large and profitable markets for their product in those countries. I do not think that there is any question but that the placing of the 15 per cent duty on hides and the consequent control by the packers of the leather market has prevented the development of this market on the part of the shoe manufacturers.

During the past five years by reason of the control exercised by the packers over the raw material they have absorbed practically all the sole-leather tanneries of the country. They are a dominant factor, and will undoubtedly soon control the sheepskin tanneries, and within the last two years have carried their campaign into the harness and upper-leather tanning industry.

It is not necessary for me to call your attention to the fact that with an almost absolute control of the hide market and protected by a tariff which practically closes the European markets to the independent buyer it will be a possible and in fact an almost certain result that the tanneries of the so-called "independent operators" will soon become the property of the packers, and the shoe, harness, belting, and trunk factories, in fact every line of manufacturing business that uses leather, will have but one source of supply for their raw material.

This condition has been coming on with very rapid strides during the past five years, and the manufacturers of leather articles look forward with much apprehension to the time which they see rapidly approaching when their business will be entirely at the mercy of the one powerful class. Every day they see their markets restricted by the closing down or the practically compulsory sale of the so-called "independent tanneries" to the packers, and in my opinion nothing can stay the inevitable except to put hides where they had so long been, on the free list.

The statement that follows may appear to you very farfetched, but it is my confident personal opinion that if the condition which confronts leather manufacturers and the manufacturer of leather articles continues and advances with the same strides during the next ten years that it has during the past five, not only will the beef packers control the manufacture of leather but they will likewise control by ownership the shoe, harness, belting, and other leather industries.

It is becoming daily more difficult to operate by reason of this control, and I hope that this great industry, which, as I understand it, is second only to that of iron and steel, may be freed by proper legislation from the handicap under which it is now conducting its business.

Thanking you in advance for any efforts you may put forth with a view of bettering these conditions, and with the kindest personal regards, I am,

Very truly,

W. A. HARDENBERGH,
President Wholesale Saddlery Association of the United States.

**THE TRUNK MANUFACTURERS' ASSOCIATION, ROCHESTER, N. Y.,
ADVOCATES PUTTING HIDES ON THE FREE LIST.**

ROCHESTER, N. Y., *November 27, 1908.*

COMMITTEE OF WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: For years previous to the enactment of the Dingley tariff law heavy hides were admitted free of duty, and that measure, as originally passed by the House of Representatives, did not place them on the dutiable list.

The cattle industry flourished before the imposition of this duty, and inasmuch as cattle are not raised for their hides, it is the belief of the Trunk Manufacturers' Association of the United States that the removal of the tariff on this product would not harm the producer and would benefit materially all manufacturers using heavy leather. Moreover, believing that the present duty enables a few large corporations to control the hide market, exerting a baneful influence upon all manufacturers using that raw material or its products, we respectfully request that you restore hides to the free list.

Yours, respectfully,

TRUNK MANUFACTURERS' ASSOCIATION
OF THE UNITED STATES,
By WM. L. LIKEY, *President.*

[Telegram.]

**THE ST. LOUIS FURNITURE BOARD OF TRADE PETITIONS FOR
THE ABOLITION OF THE DUTY ON HIDES.**

ST. LOUIS, Mo., *November 27, 1908.*

MR. WILLIAM PAYNE,
*Secretary Ways and Means Committee,
Washington, D. C.*

At a special meeting held this day, our board unanimously adopted the request that the honorable Ways and Means Committee of the House of Representatives urge upon Congress that the duty on hides be abolished.

FURNITURE BOARD OF TRADE.
H. S. TUTTLE, *Secretary.*

**THE WILLIAM FLACCUS OAK LEATHER COMPANY, OF PITTSBURG,
PA., SUBMITS REASONS FOR FREE HIDES.**

PITTSBURG, PA., *November 28, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: As the tariff hearings affecting the removal of the duty on hides will be heard in the next few days before your committee, we submit to you the following reasons for free hides:

We as tanners and manufacturers of leather are not asking for any special privilege. We simply ask you for the righting of a wrong put upon our industry in 1897.

Hides never were a political issue. Neither Republicans nor Democrats are on record as favoring the tax. The Dingley bill, passed by the House in 1897, kept them free. Without giving the leather and tanning industries ample opportunity to present their cause, the Senate imposed the tax. Ever since our industry has been forced to carry this unjust burden, and we, who have been engaged in the tanning of leather for years, have been forced to realize the enormous disadvantage accruing to us. Retarded development and growth and minimized profits have been the results.

Prior to 1897 hides were free except during short intervals when the Government found itself in need of revenue. Even then the tax was never more than 10 per cent, and always applicable to hides and skins of all description.

What revenue the Government did derive has always been negligible.

The demand for the leather is increasing faster than the supplies of raw material.

The vast regions of the West and Southwest, once the range of thousands of cattle, are being opened to the settler. Cattle in the United States are decreasing, while the population, and with it the demand for leather, increases with tremendous bounds. This is true of every civilized country in the world. The manufacturing nations have realized this truth and, with the single exception of the people of the United States, admit hides as the raw material of the tanning industry free of duty.

Every inhabitant, without exception, is a consumer of leather.

The tax is certainly of no benefit to them.

Neither farmer nor laborer derives benefit from the duty. The only advantages that accrue go to the packers, and they and no others are the real beneficiaries. This fact explains the gradual monopolization of the tanning industry by the big packers.

Hides should be free of duty because free raw material is vital to the expansion and growth of the leather trades.

Free hides give wider employment to labor by reason of resulting expansion of the industry. Instead of importing finished products, as we must, we should import the hides and allow our own labor to convert it into the finished article.

Farmers are not benefited by the duty. They are, instead, among the heaviest of the consumers of leather, and on the consumer the burden will eventually rest.

The duty is no protection to the American cattle raiser. He gets no more for his hides to-day than he did twelve years ago. This is clearly shown by the lack of interest he shows in hides, evidenced in the branding, which yearly spoils thousands of hides for the better grades of leather.

The tax yields no revenue of consequence to the Government, but instead cripples one of the most important industries of the country.

It has resulted in marked decreases of sole and harness leather exports.

For twelve years we have carried the burden of this unjust taxation.

This because it was not possible to secure revision upon a single item without the entire list of articles being taken up.

There can be no justification for burdening our industry longer.

Why not recognize and rectify an economic blunder? Why not place the American tanner in the same position relative to raw material that his German or Canadian competitor is in?

In closing this letter, we submit a letter written by James G. Blaine under date of April 10, 1890, in reference to the proposed duty.

DEAR MR. MCKINLEY: It is a great mistake to take hides from the free list, where they have been for so many years. It is a slap in the face of the South Americans, with whom we are trying to enlarge our trade. It will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes. It will yield a profit to the butcher only—the last man that needs it. The movement is injudicious from beginning to end—in every form or phase. Such movements as this for protection will project the Republican party into a speedy retirement.

Yours, hastily,

JAMES G. BLAINE.

This presents a true picture. Now, after twelve years of the tax, much more could be said as regards actual conditions in the tanning trade as a result of this injustice.

For the reasons enumerated above, we, as one of the old tanning firms of the United States, respectfully petition you as chairman of the Ways and Means Committee to exert your influence toward securing to us an unbiased hearing and to right an injustice that has hurt our industry and injured its growth for twelve years.

Respectfully, yours,

WM. FLACCUS OAK LEATHER CO.,
Per E. W. F.

STATEMENT OF FRED VOGEL, JR., MILWAUKEE, WIS., ASKING THAT HIDES BE RESTORED TO FREE LIST.

SATURDAY, *November 28, 1908.*

The CHAIRMAN. Please state your business.

Mr. VOGEL. I am a manufacturer of leather.

The CHAIRMAN. You may proceed.

Mr. VOGEL. Gentlemen, we appear before you as representatives of the tanning industry of the United States most respectfully to ask that you restore hides to the free list. We submit the following syllabus of points, upon each of which we are prepared to make extended argument if desired:

(1) That the principle of protection can not be applied to hides. They are in the strictest sense a raw material, upon which practically no labor is expended.

(2) That the tariff of 15 per cent on cattle hides does not "protect" stock raisers, because it is not possible to increase or stimulate the demand for beef by taxing hides alone. Farmers are not benefited by the hide duty, as they kill more calves and kip than mature animals, and foreign calf and kip skins are admitted duty free.

(3) That the domestic consumption of hides and skins is inadequate and is not increased or stimulated by the tariff. The country requires 40 per cent more dutiable hides than are produced in the United States. The packers have surplus stocks of beef for export, but the tanners are compelled to import large numbers of hides. The market price of a steer hide is from one-tenth to one-sixth the amount paid for the live animal. Cattle are thus raised primarily for beef,

their hides being an incidental product, affected in price, but not in quantity, by demand or lack of demand.

(4) That hides and skins, the basic raw material of the leather industries, are becoming scarcer and dearer in all markets of the world. The per capita consumption of leather is outstripping the supply of hides that results from the slaughter of cattle for beef. There are many substitutes for beef for food, but sole, harness, belting, furniture, and other leather can not be made from anything but cattle hides.

(5) That foreign raw material is a vital necessity of the tanning industry. The domestic supply is hopelessly insufficient.

(6) That the expansion of our industries and the continued employment of thousands of work people is dependent upon obtaining foreign hides and skins to augment the domestic supply of raw material.

(7) That the South American and other countries have a surplus of hides and skins which the tariff of 15 per cent tends to divert to the free ports of Canada and Europe, and this results in a benefit to foreign labor. Argentina has six head of cattle to each inhabitant; the United States has less than one head of cattle to each inhabitant. The nations south of us are small per capita consumers of leather, while we are the largest consumers of leather merchandise of any nation of the world.

(8) That hides were on the free list for twenty-five years prior to the enactment of the present law, and that the existing tariff was an innovation. It crept into the act during the conference hours and was imposed without sufficient consideration being given to the interests of the tanners.

(9) That with free hides the leather industry developed until a large export trade was achieved. But since the imposition of the duty of 15 per cent exports of leather made from dutiable leather have not increased and the exportation of heavy leathers made from the domestic hides has practically stopped. All other leathers made from nondutiable hides and skins have enjoyed a steadily increasing export business. Canadian, English, and continental European tanners, with the advantage of free hides and free tanning materials, and availing themselves of our tariff handicap, have increased their tanning capacity and prevented us from acquiring a proper share of the leather trade of the world. They not only are turning back the tide of leather exports but actually are invading our shores. Of late large quantities of English sole leather have been sold in the American markets to be reexported in the form of shoes.

(10) That the Government should not discriminate as between tanners by imposing a duty on cattle hides while admitting calfskins, kipskins, horsehides, and goatskins free of all duty.

(11) That since the revenue law of 1897 went into effect tanners of hides most affected by the duty have not prospered in proportion with persons engaged in other industries, where smaller average amounts of capital are invested. During the past twelve years of great general prosperity tannery profits have seriously decreased. Never were there so few tanneries built or extensions of old ones made. Few if any tanners have during the past decade been able to earn from the business a fair return on the capital invested therein. The industry of tanning requires a large investment of capital and

careful and anxious supervision and is subject to many serious risks. During the months intervening between the purchase of a hide and its sale as leather great fluctuations in relative prices often occur, the risk of which often falls upon the tanner.

(12) That the tariff on hides is inconsequential as a producer of revenue to the Government. The net revenue after the drawback duties are refunded is about \$1,800,000 a year, if we take five years and strike an average.

All of which is respectfully submitted.

The CHAIRMAN. The duty on hides has raised the price of hides in this country, and by some it has been stated that the benefit of that raise goes to the farmer and by others to the packer. Have you investigated that subject so as to be able to give the committee any information on it?

Mr. VOGEL. That is not an easy question to answer. From our point of view, as we look at it, the cattle raiser is not benefited by this duty because of the number of middlemen that come in between him and the tanner as the consumer of his product. We judge largely by the ruling prices in Chicago, where we frequently see that the price of hides and the price of beef move in opposite directions. We further see that the farmer who produces the live cattle weighing under 500 pounds, producing a hide of 25 pounds and under, derives no benefit, his calfskins, kipskins, horsehides, and goatskins all being free. We know that the exporters of cattle buy their cattle in Chicago on the same basis as do the American butcher and packer. The exports of hides and the exports of cattle compete in the foreign market of free hides. If the exporter had to figure on the value of the hide with a 15 per cent duty on it, he would be handicapped in the foreign market to that extent. As near as I recollect, only the heaviest and best skins are exported, the highest priced animals producing hides of the highest order and bringing the highest value in the market.

The CHAIRMAN. Is it not true that the bulk of the hides imported are thick hides from tropical countries, while the bulk of the hides produced in this country are thinner and adapted to the use of uppers, etc., in shoes?

Mr. VOGEL. As near as I can ascertain, the production in this country of high-grade thick hides is about 40 per cent of the total packing hides. We estimate there are between 7,000,000 and 8,000,000 hides that are made by the packers, of which 40 per cent would be Texas and Colorado hides, hides that would be in competition with the choice foreign hides such as come from South America, which are taken off in England or France of the biggest and heaviest cattle.

The CHAIRMAN. Such hides are used in sole leather?

Mr. VOGEL. Yes, sir; and used in carriage tops, furniture, etc. It takes a high-grade hide to produce that class of leather.

The CHAIRMAN. How about the imported hides?

Mr. VOGEL. The bulk of the imported hides come from South America and China and make what we consider and call the cheaper sole leather—hemlock sole leather. Very few of the South American hides, the cheap hides, go into high-grade leather. The better grades go very largely into oak belting and oak sole leather.

Mr. BOUTELL. I judge from your argument, Mr. Vogel, that in your opinion the reduction of the duty would not reduce the price

of hides to the farmer or the raiser of the cattle on account of the constantly increasing demand for hides?

Mr. VOGEL. The only experience I have ever had with an article which was on the taxable list and was then put on the free list was when calfskins were taken out from under the tariff in 1898. The result of that order was that calfskins in this country went up a trifle and those in the foreign countries went up a trifle. There was a division or compromise. That was the effect in that instance.

Mr. BOUTELL. There really was an opportunity there for the farmer to get more?

Mr. VOGEL. The producer of the skins in this country was benefited by the removal; it averaged the price between the foreign and domestic product.

Mr. BOUTELL. Take the first step. In your best judgment, and, of course, none of us can tell exactly what will happen, but in your best judgment, there would not be any harm to the raiser of cattle in the taking off of this duty?

Mr. VOGEL. I think if the duty was taken off to-day that the producer of hides for the present would be benefited. For how long, of course, it is hard to say.

Mr. BOUTELL. Then you speak of some middlemen, as I understand it, between the raiser of the cattle and the tanner?

Mr. VOGEL. Yes, sir.

Mr. BOUTELL. The farmer sells directly to the packer?

Mr. VOGEL. That, of course, depends. As to the large stock raisers, their cattle drift into large packing centers and are sold through brokers to the packer. The stock of the small farmer drifts into the hands of the collectors and small hide dealers, and from there they are assembled until they reach the larger markets, so that quite frequently there is the work of two men before the hide reaches the tanner, the first man who collects the hides in a small way, and then they would be sold in the Chicago, St. Louis, or larger markets.

Mr. BOUTELL. In the ordinary run of trade there is a possibility of two profits being made before the hide reaches the tanner?

Mr. VOGEL. Yes, sir; and that affects the first price to the farmer.

Mr. BOUTELL. I take it, in the second place, if the farmer would not get a lower price for his hides, and there are two chances for profit between the farmer and the tanner, that you would not get your hides any cheaper?

Mr. VOGEL. The Chicago packer determines the price of hides in this country. The price of the country hide after it reaches the market has a certain proportionate value to the packer hide. The packer hide is the standard of this country.

Mr. BOUTELL. In your opinion, would the packer be apt to make any reduction in the price of hides to the tanner if this duty were repealed?

Mr. VOGEL. No; I do not believe so. I believe it would affect all his hides the same as it did anybody else's.

Mr. BOUTELL. Then you could not furnish leather any cheaper to the jobbers or middlemen, or the manufacturers of leather?

Mr. VOGEL. Not at the first instance; no.

Mr. BOUTELL. And then the manufacturer of leather or the man who makes the shoe would not be in a position to sell his shoe any cheaper to the jobber in shoes?

Mr. VOGEL. Not to begin with; no, sir.

Mr. BOUTELL. And then, just to follow this up, the jobber in shoes naturally would not be able to sell any cheaper to the retailer?

Mr. VOGEL. Not if the situation is such as I expect at the first removal of the duty.

Mr. BOUTELL. Then coming down to my friend, the man who buys a pair of shoes, he would not get them any cheaper?

Mr. VOGEL. I do not believe at first that that would be the effect.

Mr. McCALL. I understand the witness has stated that that would be the effect at first.

Mr. BOUTELL. I am just coming to that.

We hope with a great many people, if this duty were repealed, that there would be some reduction in the price and that there would be some profit which we realize would be distributed, but that the retailer might have one benefit and that the purchaser of the shoes might be able to get shoes cheaper. What do you say with reference to the ultimate effect of the repeal of the duty, bearing in mind what you have said of the constantly increasing demand for hides?

Mr. VOGEL. I think the ultimate effect would be that we would be on a fair world's price basis. To-day the packer fixes the price. The supply in this country is short, and the buyer of American hides is absolutely cut off from exporting heavy hides, the sole-leather hides. He always has the 13 per cent as a wall before him. Before this duty was imposed quite a proportion of exports in sole leather were packer hides tanned here by American tanners in competition with the best foreign hides. That trade has been gradually lost, and the only hide that can be exported to-day is one that has been imported.

Mr. BOUTELL. I take it from what you say with the extension of the cable and the world's demand for hides that there is substantially a world's market for hides?

Mr. VOGEL. Yes, sir.

Mr. BOUTELL. An international price for hides?

Mr. VOGEL. Yes, sir.

Mr. BOUTELL. And that if this duty were repealed the international demand for hides would, to a large extent, govern the price?

Mr. VOGEL. Yes, sir; regulate the price all over.

Mr. BOUTELL. What, then, do you think, in your best judgment, would be the final result of putting all our raw hides on the free list to the purchase of shoes? Can we look forward to any substantial reduction in the price of shoes to the individual purchaser?

Mr. VOGEL. I do not believe that hides, if the consumption goes on the way it has, will rule very much cheaper. I think we have reached a point where the hide supply of the world is a little short.

Mr. BOUTELL. There is an increasing use of hides, particularly in automobiles and in their use for belting and so on, that does not look to be on the decrease?

Mr. VOGEL. No, sir. There is an increased demand for hides, but what we expect and hope for is that the great influence that the packer has on the market will be lessened. Now, we have all just gone through a severe period of depression in this country. A year ago the price of heavy Texas hides dropped from 14 cents to 11 cents, and Mr. Packer started to tan on a very extensive scale. He found plenty of idle tanneries and filled them up with hides.

Mr. RANDELL. What is the paragraph that you are talking about?

Mr. VOGEL. I am talking on paragraph 2.

Mr. COCKRAN. Of this letter?

Mr. VOGEL. Yes, sir.

Mr. COCKRAN. Mr. Randell meant what paragraph of the tariff law?

Mr. DALZELL. He is talking on hides.

Mr. VOGEL. The result has been that the packer is to-day turning out leather made of cheap hides and is selling his present high-priced articles to the tanners. The tanners are absolutely helpless. They must have hides to maintain their business and maintain their standing in the trade.

Mr. BOUTELL. I have received a number of letters, as I have no doubt the other members of the committee have, from the retail dealers intimating that it would be to their benefit to have this duty repealed; that is, that they could have some chance to make more profit on shoes. Then I have received, and I have no doubt the other members of the committee have, letters to the effect that the consumer of shoes, the purchaser of a pair of shoes, might be benefited anywhere from 5 cents to 15 cents on a pair of shoes. While we realize that, of course, the price would be dictated by the different retailers, in view of what you say as to the probable maintenance of the price of hides and of leather, is there any way in which we can benefit the purchaser of shoes in this matter except by putting the finished leather and the manufactured shoes also on the free list? What would you say as to that?

Mr. VOGEL. When it comes to the tariff on leather, which I am only able to speak of, it gets to the point of cost which in this country is at the present time considerably higher than in Europe, especially in upper leather the item of labor is quite a factor. Our strongest competitor in the markets of the world is Germany. The German wages range from 50 per cent to 60 per cent of our wages. The German tanner has been a little slow in adopting the new process largely used for upper leather, the so-called "chrome process," but has of late greatly improved his product and is able to compete in the markets. The tanners as a whole in a meeting this morning passed the following resolution regarding this question:

Resolved, That in regard to a reduction of duty on leather or leather goods the National Association of Tanners unanimously favors the idea of a maximum and minimum tariff in order that reciprocal trade agreements may be negotiated by the United States with other nations.

Mr. BOUTELL. In other words, on finished leather you want a minimum and maximum tariff?

Mr. VOGEL. That would be our idea.

Mr. BOUTELL. In a general way, what would you suggest as the amount of the minimum?

Mr. VOGEL. The present tax on the average production of leather is 20 per cent, and we would be satisfied with a concession of 25 per cent.

Mr. BOUTELL. You would raise the ad valorem on leather from 20 per cent to 25 per cent?

Mr. VOGEL. We would reduce the ad valorem from 20 per cent to 15 per cent.

Mr. BOUTELL. Would you care to speak about shoes?

Mr. VOGEL. I think the gentlemen who will follow me are more conversant on that subject.

Mr. BOUTELL. Would you think that free hides and a 15 per cent ad valorem on the finished leather would enable you to sell cheaper to the manufacturer and in that way furnish cheaper shoes to the ultimate consumer?

Mr. VOGEL. The profits in the leather business for the past twelve or thirteen years have been very moderate, and I do not believe that under present conditions the tanners of the country could afford to reduce their prices.

Mr. BOUTELL. So that with free raw hides and with 15 per cent ad valorem on finished leather you do not see any immediate prospect of any substantial reduction in the price of shoes at retail?

Mr. VOGEL. I do not.

Mr. BOUTELL. I think that is all, Mr. Chairman.

Mr. McCALL. Speaking of the price of hides now and prior to ten years ago when the duty was imposed, and the increased price of hides in this country, is it not a fact that the foreign price of hides has also increased very much in that time?

Mr. VOGEL. Certainly.

Mr. McCALL. With regard to the effect of the duty upon the tanning industry, in the long run do you not think that it would increase the cost of leather to the tanner?

Mr. VOGEL. The removal of the duty?

Mr. McCALL. The imposition of the duty on the raw material. In the long run would not that have the effect of increasing the cost of leather to the tanner?

Mr. VOGEL. Certainly.

Mr. McCALL. Would not the removal of the duty in the long run have a tendency to decrease the cost?

Mr. VOGEL. It would eventually.

Mr. McCALL. Is there any combination of manufacturers in this country to hold up the price?

Mr. VOGEL. No, sir.

Mr. McCALL. In the absence of a combination and with competition you would be able, by the removal of the duty, to sell your leather cheap to the manufacturers of shoes, would you not?

Mr. VOGEL. Eventually; yes, sir.

Mr. McCALL. There is, of course, no combination between the shoe manufacturers of the country?

Mr. VOGEL. No, sir.

Mr. McCALL. I believe that is one of the things they have found it impossible to get up a combination on, and that there is free competition. Would it not follow that they being able to sell shoes cheaper and selling them in open competition they would sell them cheaper?

Mr. VOGEL. Cheaper leather will make cheaper shoes; yes, sir.

Mr. McCALL. And there being no combination between the shoe-makers, if they made their shoes cheaper they would naturally sell them cheaper?

Mr. VOGEL. They would.

Mr. McCALL. So the probability is that the man who wore shoes would get his shoes for less money or would get better shoes for the same money?

Mr. VOGEL. Yes, sir.

Mr. McCALL. And the same would be true with regard to harness and all leather goods?

Mr. VOGEL. Yes, sir.

Mr. McCALL. Is there any combination that you know of in the harness business?

Mr. VOGEL. There is not. I know of none.

Mr. CLARK. Mr. Witness, how did the manufacturers get it into their heads that it is the business of Congress to guarantee them a profit?

Mr. VOGEL. We believe that it is the duty of Congress to see that fair play prevails.

Mr. CLARK. Why did you not answer my question? When did the manufacturers get it into their heads that it is the business of Congress to guarantee them a profit—in other words, to go into the insurance business?

Mr. VOGEL. We certainly have the idea that Congress is looking out for all of us.

Mr. CLARK. I know, but it is not looking out for the rest. You claim that you should be guaranteed a profit and every manufacturer who comes here feels that he ought to be guaranteed a profit. Congress does not guarantee profits to other people; why should they guarantee profits to the manufacturers?

Mr. VOGEL. You do not do it, but we maintain that we are entitled to reasonable compensation.

Mr. CLARK. But you want Congress to make this reduction so as to guarantee your profits.

Mr. VOGEL. We do not want anything of the kind.

Mr. CLARK. I understand that you want free hides?

Mr. VOGEL. Yes, sir.

Mr. CLARK. But you do not want to give free leather, boots, harness, etc.

Mr. VOGEL. We can not do that very well on the profits as they are to-day.

Mr. CLARK. If we put hides on the free list, are you willing to have leather, boots, shoes, harness, and other things made of leather put on the free list?

Mr. VOGEL. No, sir.

Mr. CLARK. You want to get your stuff free and you want us to maintain the same duty on the other things?

Mr. VOGEL. We want moderate protection.

Mr. CLARK. You want moderate protection, but you are not willing for the other fellow to have moderate protection. I will tell you exactly how to get free hides. You all agree not to make any fight in Congress, and that boots, shoes, harness, and other articles of leather shall go on the free list, and I think we can get up a compromise.

Mr. VOGEL. I think that would be easy.

Mr. CLARK. What kind of hides is this tariff on?

Mr. VOGEL. The heavy hides which weigh 25 pounds and upward in the salted condition, and 12 pounds dry flint.

Mr. CLARK. We raise very few of that grade of hides in the United States?

Mr. VOGEL. Heavy hides?

Mr. CLARK. Yes, sir.

Mr. VOGEL. A great many.

Mr. CLARK. Do not most of the heavy hides come from South America or the Tropics?

Mr. VOGEL. No. Those are the sole-leather hides, weighing about 22 pounds, equal to 52 or 54 pounds green salted. The hide is a thick hide, very well adapted for sole leather.

Mr. CLARK. You talk about the prices of labor in the United States. Do you not know that the American laborer, piece by piece, turns out products as cheaply as the European laborer?

Mr. VOGEL. Not in all leather business.

Mr. CLARK. Did you ever read Blaine's book?

Mr. VOGEL. No, sir.

Mr. CLARK. You had better get a copy and read it. He says that when you count by the piece, and that is the only fair way to count, American labor is as cheap as European labor, and I think he knew something about the tariff question.

Mr. COCKRAN. Do you know anything about the shoe business?

Mr. VOGEL. No, sir.

Mr. COCKRAN. You are simply concerned in what is the manufacture of sole leather?

Mr. VOGEL. No, sir. I am chiefly concerned in the manufacture of light leather. Calfskins, kipskins, horsehides, and goatskins are the chief productions of our tannery, but the national association of course has a full line from light leather to heavy hides.

Mr. COCKRAN. From the point of view of public policy and the general welfare, why is it you want hides placed on the free list?

Mr. VOGEL. The main reason is that we are hampered by the great influence that the packer has on the tanning business.

Mr. COCKRAN. You are coming here to get relief from an inconvenience to yourself, and not apparently from any desire to advance the general welfare of Mr. Boutell's friend and my friend, the ultimate consumer?

Mr. VOGEL. We do believe that if you give us free hides that would be the ultimate result.

Mr. COCKRAN. That is to say, you offer us a belief and you want the fact. You want free hides and you offer our friend, the ultimate consumer, the possibility of a reduction. That is your position?

Mr. VOGEL. No one can foresee what the future will bring.

Mr. COCKRAN. Certainly. You relegate the ultimate consumer to the domain of speculation and hope, while you want to get the tangible and practical relief at once. That is your position?

Mr. VOGEL. We would like the relief at once.

Mr. COCKRAN. I agree with all that Mr. Clark has said, that if you will offer a scheme of relief to the general consumer we will be very glad to cooperate.

The CHAIRMAN. When you come to read Blaine's book you will find that he used the statement referred to by Mr. Clark as an argument on the part of the free trader and that he also stated the argument of the protectionist on the same subject. You will learn that when you read the book.

Mr. VOGEL. I thank you.

The CHAIRMAN. In regard to the history of this tariff, this committee reported in favor of free hides and the bill passed through the House with hides on the free list. The bill went to the Senate and the Senate put a duty of 20 per cent, possibly more than that, on hides. The bill went into conference and finally there was a compromise in order to get the bill through at all at 15 per cent on hides. In the McKinley bill hides were free and sole leather was 10 per cent. In the Wilson bill hides were free and sole leather was 10 per cent. You come this morning and ask for free hides and then suggest the very generous proposal to reduce the 20 per cent put on leather in the Senate down to 15 per cent. Can not you do a great deal better than that?

Mr. VOGEL. Individually, talking for myself, I certainly would.

The CHAIRMAN. I thought so.

Mr. COCKRAN. That is satisfactory.

Mr. BOUTELL. I would like to straighten out what appeared to be a discrepancy so it will be only apparent. There seems to be some discrepancy between what you said in answer to my questions and those put to you by Representative McCall. I endeavored to make mine specific and his, of course, were general. I would like to ask you a still more concrete question so that there may be no apparent discrepancy.

If this bill should go into effect the 1st of next July, with raw hides on the free list and a reduction to 15 per cent ad valorem on leather, when do you think there would be a reduction in leather and in the retail price of shoes?

Mr. VOGEL. I can not tell you.

Mr. BOUTELL. To the best of your judgment, with your experience in the business?

Mr. VOGEL. The fluctuations in hides and the value of hides are dependent on a good many conditions, and no one alone is primarily responsible for a decline. Now, all these values find the world's level, and we can not get away from that fact. The prices go up and down. We have been on a very high plane, and it may be possible that hides will ease off, but I am not looking for it.

Mr. BOUTELL. You are not looking for it even with this reduction?

Mr. VOGEL. No, sir. I do not think there will be much chance of an immediate reduction in the price of hides.

Mr. RANDELL. When the Dingley bill was being framed you were applying for an increased duty on leather?

Mr. VOGEL. No, sir.

Mr. RANDELL. You got an increase of duty?

Mr. VOGEL. There was a change—an increase of 10 per cent.

Mr. RANDELL. The duty was doubled on leather?

Mr. VOGEL. Yes, sir.

Mr. RANDELL. Fifteen per cent was placed on raw hides. As a matter of fact, you then went to the department and got the department to repeal the law on all hides under 25 pounds?

Mr. VOGEL. That was the construction.

Mr. RANDELL. When the law was passed it was supposed that hides were, as you call it, protected; that there was a duty on hides that would raise the price, but you have been able to get your hides under 25 pounds free?

Mr. VOGEL. Yes, sir.

Mr. RANDELL. And that was by a ruling of the department?

Mr. VOGEL. Yes, sir.

Mr. RANDELL. Do you not think that instead of repealing the law by the ruling that was made, you should have been paying the 15 per cent all this time?

Mr. VOGEL. I think that was at that time an unfair ruling.

Mr. RANDELL. But you took advantage of it. Do you not think that you should pay back that 10 per cent that you should have paid?

Mr. VOGEL. As I said before, the price of raw material advanced.

Mr. RANDELL. Do you not think that this bill should be so framed that either the farmer should get free shoes and free leather and the manufacturer free hides and leather, or the farmer and stock raiser ought to get his 15 per cent, and that the bill should be so framed that the department can not cut it out? Do you not think that is where the mistake is, that the bill should be so framed that you would have to pay your 15 per cent on the hides as the law provides and not be exempt from that by a ruling of the department? Would not that be the proper way to frame this bill?

Mr. VOGEL. Yes, sir. If you tax hides, there is no reason why kip skins and calfskins should be free.

Mr. RANDELL. It was supposed at the time that the bill included all hides, but you got that by a ruling that you yourself think was unfair. I commend you for your candor.

Mr. GAINES. Is not a great deal of the leather before it enters into a shoe controlled by proprietary processes, as, for instance, vici kid?

Mr. VOGEL. That patent has lapsed.

Mr. GAINES. How many persons in the country make it?

Mr. VOGEL. A great many to-day.

Mr. RANDELL. There is a question that I wish to ask you, Mr. Witness. You seem to know about these matters. Is it not a fact that the way the department has construed the law the packers who have control of all the large hides, practically all, are the ones who are benefited by the ruling, and not the farmer and stock raiser?

Mr. VOGEL. You mean on the light hides?

Mr. RANDELL. The packer is the one who generally has the big heavy hides?

Mr. VOGEL. Yes, sir.

Mr. RANDELL. He gets the 15 per cent duty?

Mr. VOGEL. Yes, sir.

Mr. RANDELL. That sort of leather, the very kind that the farmer has to buy for his shoes, is the kind where the price has been raised by the application of the law to heavy hides, is it not?

Mr. VOGEL. I think that is so.

Mr. RANDELL. So that the farmer does not get any benefit of the duty, but has to pay the increased price for the leather he uses?

Mr. VOGEL. I think that is so.

Mr. RANDELL. You think the best way to do would be to frame this law so that the department could not cut the stock raiser out of his hides?

Mr. VOGEL. Yes, sir.

Mr. GRIGGS. Are you a tanner or a shoemaker?

Mr. VOGEL. A tanner.

Mr. GRIGGS. Is your business prosperous?

Mr. VOGEL. Fairly.

Mr. GRIGGS. Are you making money?

Mr. VOGEL. A fair amount.

Mr. GRIGGS. I am glad to hear it.

**STATEMENT MADE BY DAVIS P. LEAS, OF LEAS & McVITTY,
PHILADELPHIA, PA., FAVORING FREE HIDES.**

SATURDAY, *November 23, 1908.*

Mr. BOUTELL. What is your business?

Mr. LEAS. We are tanners.

Mr. COCKRAN. General tanners of all kinds of leather?

Mr. LEAS. No, sir; oak sole leather.

Mr. GRIGGS. Are you making money?

Mr. LEAS. We are not in the almshouse; we have all managed to keep in business.

I have a few words in this statement and then I would be glad to answer any questions.

Prior to the present law of 15 per cent, with the exception of about thirty years, there has been no tax on the importation of heavy hides. During the civil war there was only 10 per cent put on for war revenue, and was taken off June 6, 1872.

The present law is not one that has resulted in producing revenues to any extent. It is only one-third of the hides and skins imported that are taxed, as the present duty only applies to heavy cattle hides.

Nor is the present law, in our judgment, a success as regards protection. The making of hides is not an industry. No one can manufacture them; they are a by-product, obtained only when cattle are killed for food. The law of supply and demand regulates both the price of cattle and of this by-product. Beef may be plenty at one time and hides scarce and vice versa.

Statistics covering a period of years show that when hides produce the highest prices, cattle on the hoof have sold at the lowest price. Each advances or declines separately, influenced by its own special supply and demand.

To-day the refrigerators of the packers are overflowing with beef, and the large receipts of cattle at these western packing points have not been availed of. Why is that the case? It is because beef to-day is ruling higher, very much higher. You all remember when you could buy good beef at anywhere from 12 cents to 15 cents a pound. To-day the best beef is 25 and 30 cents a pound, and people are compelled to use other kinds of meat instead of beef. Why should this monopoly be allowed to exist on beef as well as on hides? Further, the domestic supply of hides in this country is inadequate for the demands of the population and will continue to be still more inadequate as the population grows. We need foreign hides, because some of them produce a cheaper article of leather than our domestic green salted hides, and, because, also, the home supply is inadequate. The farmer and laboring class of people are the most benefited by the foreign dry hides, which produce the cheaper grade of leather for coarse shoes.

The present tariff destroyed the exportation of oak sole leather made from domestic hides. Through Pennsylvania, Maryland, Virginia, and the Southern States large quantities of domestic leather were made and exported. The tariff did not allow a bounty on leather made from domestic hides, and a great trade was lost. Some of our tanners—the Shaws—moved over to Canada. What we ask to-day is that the American tanners be put on a level with the tanners of the world. We ask nothing more and we ask nothing less. We ask this, further, because we think that hides should be brought here and manufactured into leather, and that our laborers should have the opportunity of manufacturing these hides into leather, and the articles that we should be able to export, in the way of shoes and belting leather, that is now done abroad, and from which the American laborer gets no benefit.

Mr. McCALL. If you can export leather into the markets of the world, why can not you control the market of this country with no duty on leather, assuming that you had free hides?

Mr. LEAS. If there was a general level all over the world, except for one point, we would not care whether the duty was on leather or not. Since the days of Blaine, since his book was written, there has been a great change in the condition of things abroad. They not only have their cheap labor, but they have sent their experts over here, and they have learned the skillful manner of making shoes. They have skilled workmen as foremen, and they have all the machinery we have, and they are beating to-day our manufacturers of shoes.

Mr. CLARK. Are you a shoemaker or a tanner?

Mr. LEAS. I am a tanner.

Mr. CLARK. If we had hides on the free list and kept leather where it is you would make more profit than you do now?

Mr. LEAS. Keep the tariff on leather?

Mr. CLARK. Yes, sir.

Mr. LEAS. I am not talking about the tariff on leather.

Mr. CLARK. I am talking about both of them in conjunction to find out what you want. If we had hides on the free list it would give you more profit on leather?

Mr. LEAS. No; not necessarily.

Mr. CLARK. What do you want, then?

Mr. LEAS. We want to have the hides tanned in America rather than in Europe, in order that American labor may be benefited.

Mr. CLARK. If we had hides on the free list and kept leather where it is now you would make a larger profit than you do now. Are you willing for all that profit to go to the laborers or are you willing—

Mr. LEAS (interrupting). To go to the laborers. There would be more home competition and the prices would be lower.

Mr. CLARK. You will guarantee that you will not get a cent of it?

Mr. LEAS. We shall be very glad to send it along.

Mr. CLARK. You are a philanthropist?

Mr. LEAS. Yes, sir.

Mr. CLARK. I am glad to meet you. [Laughter.]

Mr. UNDERWOOD. What is the duty on the leather you manufacture?

The CHAIRMAN. I think the witness had better be permitted to finish the reading of his statement.

Mr. UNDERWOOD. All right, go ahead.

Mr. LEAS. The present tariff of 15 per cent and its drawback from leather made from foreign hides shipped abroad works a serious injury in two ways: First, to American labor, because it enables European and Canadian tanners and shoe manufacturers to secure cheaper material, making and selling shoes to the laboring class of these countries and exporting them to other countries for less price than American shoe manufacturers can sell their laboring class at home.

The civilized nations are facing the greatest epoch in the history of the world, supplying an oriental nation with shoes and belting for machinery. We refer to the great opening that will come to China in the next fifteen years. Here are some 300,000,000 people who will need shoes and who will learn to use shoes made of leather. If this tariff continues on hides, the American tanner is handicapped and will see this magnificent trade for both shoes and belting pass into the hands of their competitors, namely, the European and Canadian tanners, shoe manufacturers, and belting manufacturers.

The danger of the present law is to drive out of business the independent tanner. It puts into the hands of a few corporations a weapon, not only to keep up the price of hides ruling to-day for 13½ cents to 17 cents for heavy hides, when before duty they ranged from 6 to 12 cents; but also, what is more serious, it enables a few beef packers to exercise a dangerous control over a raw material, which is absolutely necessary for tanning. This tariff enables these few men to make every man, woman, and child in the United States pay tribute by an increased cost for every shoe worn and every other article into which enters the use of leather. No class suffers more from the payment of this tribute than the farmer and laboring man, because they mostly use shoes made from imported hides.

Finally, the abrogation of tariff on these hides will not interfere with the policy of protection but affect the comfort of the people and the general prosperity of the nation.

Mr. UNDERWOOD. What is the duty that you are now receiving on leather? How much protection have you?

Mr. LEAS. About 20 per cent.

Mr. UNDERWOOD. Twenty per cent ad valorem?

Mr. LEAS. Yes, sir.

Mr. UNDERWOOD. Is it fixed at an ad valorem rate?

Mr. LEAS. I believe it is.

Mr. UNDERWOOD. I notice that the importations of hides amount to about \$20,000,000, on which the Government obtains \$3,000,000 revenue. The exportation of leather is how much?

Mr. LEAS. The exportation of leather?

Mr. UNDERWOOD. Yes, sir; the exportation of leather.

Mr. VOGEL. It is sufficient to reduce the duty of \$3,000,000 to \$1,800,000 annually collected.

Mr. UNDERWOOD. The value of leather exported, sole leather, is about \$7,000,000?

Mr. VOGEL. Yes, sir.

Mr. UNDERWOOD. The exportation of shoes from this country is very great, is it not?

Mr. VOGEL. About \$11,000,000.

Mr. UNDERWOOD. Now, you gentlemen stand behind a wall where you hold up the people of the United States with the 20 per cent ad

valorem duty on your product, and sell a large portion of it in the free markets of the world. I want to ask you if you think it is fair or just or right to the American people to come here, when you are able to compete in the markets of the world, and ask that the Government be deprived of a \$3,000,000 revenue, which it is now getting on hides to-day, in order that that sum may go into your business?

Mr. LEAS. I would say this, that some of the tanners who make a specialty of tanning foreign hides have them shipped to the bonded warehouse, and those hides go out of the country and they do not get any rebate on them.

Mr. UNDERWOOD. I was not including those.

Mr. LEAS. We are perfectly willing to stand on a fair and open market on everything.

Mr. UNDERWOOD. If you want free hides and will stand for free hides, and if this committee is willing to give you free hides, and you are now able to export and enter the markets of the world and compete in the free-trade market with the world, don't you think it is right to the American people that we should give them free leather and free shoes?

Mr. LEAS. You should distinguish between the different kinds of sole leather. The kind of sole leather that I am representing is not exported. It is an oak sole leather. It is a fine quality of leather. The leather that is exported is made from foreign hides, a coarser kind of leather, and made into coarser shoes.

Mr. UNDERWOOD. But the leather you are making is being exported in the shape of shoes?

Mr. LEAS. No, sir.

Mr. UNDERWOOD. There is not a capital in Europe where when you ask somebody to point you to the best shoe store in the city they will not point you to stores that sell American shoes. Is not that true?

Mr. LEAS. I think that is true.

Mr. UNDERWOOD. Is there not a greater demand for American shoes than for anything else?

Mr. LEAS. That is passing away rapidly. Foreign-made shoes are taking that trade away. They are introducing our fine machinery and have cheaper labor and leather than we have.

Mr. UNDERWOOD. Personally, I have not seen any indication of that. I want to go back to my question, now, as to a fair proposition. You gentlemen come here and demand free hides, and I want to know, without comment on your acts in the past, whether you don't think it is fair to the American people, if you want free hides, that the American people should have free shoes?

Mr. LEAS. The only point is this: I would say this, that there are shoe men here who have come specially here to present the whole matter, and I do not see why we, who are not shoe manufacturers, should take that up. I am a tanner, not a shoe manufacturer. The shoe manufacturers are able to speak for themselves, and I would prefer to let them speak for themselves if you will allow me to.

Mr. UNDERWOOD. You compete with the tanners in the foreign markets?

Mr. LEAS. We had a large and profitable business, but it has been cut out entirely, and a great loss has been sustained by oak tanners because of this duty.

Mr. UNDERWOOD. Would you resist that proposition if the committee put it up to you?

Mr. LEAS. As I said, I would rather the shoe manufacturers would speak for themselves.

Mr. COCKRAN. Mr. Underwood is not asking you about the shoe manufacturers. He is asking you about your own business. Would you, as a manufacturer of sole leather, be content to have your product put upon the free list if you were given free hides?

Mr. LEAS. Yes; I should say I was, to come to that question positively.

Mr. BOUTELL. Mr. Leas, toward the close of your argument you used this expression, that every man, woman, and child in the country is compelled to pay tribute, because of the cost of shoes, to this monopoly. This committee would like to put an end to that tribute. The simplest way is to put hides and leather and shoes on the free list. Your suggestion is to simply put hides on the free list?

Mr. LEAS. Yes; because this monopoly is confined to hides. Their operations are in hides.

Mr. BOUTELL. Now, then, upon what kind of leather is this duty of 20 per cent now levied?

Mr. LEAS. It virtually covers everything.

Mr. BOUTELL. As to this duty on hides, on what class of hides is this duty of 15 per cent now levied?

Mr. LEAS. On foreign heavy hides.

Mr. BOUTELL. On what you call heavy hides exclusively?

Mr. LEAS. Yes, sir.

Mr. BOUTELL. What kind of shoes in the market uses the greatest amount of the kind of leather on which this 15 per cent duty on hides is levied?

Mr. LEAS. The masses of the people use leather made from those foreign hides upon which the duty is imposed.

Mr. BOUTELL. I say, what kind of shoes in the market is it that uses the greatest amount of hide leather upon which duty is paid?

Mr. LEAS. The heavy, coarse shoe.

Mr. BOUTELL. Now, then, what is the cost of the heavy leather that goes into the manufacture of this heavy shoe? What is the price of the leather that you manufacture that goes into one of these pairs of shoes?

Mr. LEAS. About 2 pounds of leather goes to a pair of shoes.

Mr. BOUTELL. How much is that a pound—the price you get for it?

Mr. LEAS. We are not selling soles. We are selling leather.

Mr. BOUTELL. Is not my question plain enough? This committee wants facts.

Mr. LEAS. Yes.

Mr. BOUTELL. You have made a statement here involving a very serious general charge, that on account of this duty a tribute was levied on every man, woman, and child in the country, and your only suggestion to prevent the payment of that tribute is to reduce the duty on hides?

Mr. LEAS. Yes, sir.

Mr. BOUTELL. Now I ask you the simple question, What do you charge for the amount of leather that goes into the kind of a shoe that is most largely composed of this dutiable hide leather?

Mr. LEAS. Yes, sir.

Mr. BOUTELL. You said 2 pounds. Now, what do you charge for those 2 pounds?

Mr. LEAS. That varies as to the quality of the leather. I would like Mr. Jones to answer that question. He is a practical shoe man.

Mr. BOUTELL. Well, if we have to take a new witness in order to get that information, we will take the answer from him in turn.

Mr. LONGWORTH. I would like to understand what is the tariff on that.

Mr. LEAS. We are charged from 25 to 30 cents a pound, according to the quality of the part of the hide that it comes out of. It is for the shoe manufacturer to say what the average price of his soles are. That question, of course, I can not answer.

Mr. BOUTELL. I will state the result of the inquiry that I want to get at, Mr. Leas, so that we will know how much your suggestion would really aid to put an end to this tribute.

Mr. LEAS. Yes, sir.

Mr. BOUTELL. To what extent is this heavy dutiable hide leather used in the making of the shoes of children, and to what extent would the repeal of the 15 per cent duty on hides affect the retail price of a pair of retail spring-heeled kid shoes that a girl will use?

Mr. LEAS. Those parts are cut from the shoulders of the hide, etc., and it is the part of a shoe manufacturer to answer that, because I am not posted on that.

Mr. BOUTELL. I would like to ask the question of a person who can answer. But when you made that general expression that every man, woman, and child in the country paid tribute to this monopoly, and that the only remedy for the tribute is the repeal of the duty on hides, I wanted to know what it would be.

Mr. LEAS. We do not want to tread on the toes of the shoe manufacturers and repeat here before you too many statistics. [Laughter.]

Mr. BOUTELL. I will simply say that if this tribute is being paid the simplest way to end it is to put shoes on the free list.

Mr. COCKRAN. Mr. Leas, you are willing to concede as much as you ask? You are willing to have your product go on the free list, provided the raw material was put on the free list, too?

Mr. LEAS. Yes, sir; except enough of duty to cover additional cost of American and foreign labor. Labor is a large item of cost in a sole or heavy leather tannery.

Mr. COCKRAN. You made a remark which I intended to speak to you about at the time, to the effect that the export of leather was practically disappearing?

Mr. LEAS. Yes, sir; on oak leather, and on hemlock made from domestic hides. After that duty was put on domestic hides advanced at once from 15 to 20 per cent.

Mr. COCKRAN. I find here that our exports of leather of all kinds amounted to over \$32,000,000, and our imports to about \$8,000,000.

Mr. LEAS. Not oak leather.

Mr. COCKRAN. What proportion of the leather of the country is oak?

Mr. LEAS. That I can not answer. The statistics there ought to show that, but I am not familiar with them.

Mr. CLARK. Mr. Leas, I would like to ask you one question: Do the packers—those are what we popularly call “the Big Four”—do they fix the price of hides?

Mr. LEAS. They do.

Mr. CLARK. That is generally understood in the trade, that these people constitute a trust?

Mr. LEAS. Yes, sir; emphatically so; and the most powerful trust in the world.

Mr. CLARK. Have you ever informed Mr. Attorney-General Bonaparte that there is such a thing as a trust out at Chicago and Kansas City? [Laughter.]

Mr. LEAS. No, sir.

Mr. JOHN E. WILDER. He has already got after them. [Laughter.]

Mr. CLARK. He is still pressing the same thing, and the immunity bath they took at first does not absolve them from the sins they are going to commit after they have got the bath?

Mr. LEAS. No, sir.

Mr. CLARK. You are willing to have leather go on the free list, along with the hides?

Mr. LEAS. Yes. I simply want the tanners of America to be put on a par with those of other nations, and that all the hides used in America should be tanned in America, so that—

Mr. CLARK. There is no dispute about that, but I want a definite statement whether leather should go on the free list if hides go on.

Mr. LEAS. If it is necessary.

Mr. CLARK. Take out that qualification, now, and we will be getting together. [Laughter.]

Mr. GAINES. Mr. Leas, you represent yourself, or other tanners?

Mr. LEAS. I am from Philadelphia, and I represent the Philadelphia oak tanners.

Mr. GAINES. What do we understand? Do we understand that you want the duty on hides removed? Are you willing to have the leather of the kind you and those you represent make placed upon the free list?

Mr. LEAS. Yes; I said I was.

Mr. GAINES. You are willing for that?

Mr. LEAS. Yes; I said “if necessary,” of course.

Mr. GAINES. Do you regard it as necessary or unnecessary?

Mr. LEAS. My own private opinion is that it is necessary to have a duty as long as we have the cheap leather of Europe, but, as I said, if necessary, I am willing to do it.

Mr. GAINES. Then you are leaving us under a mistaken impression. Let us know, as the representative of the oak tanners of Philadelphia, what you believe ought to be done with reference to leather. Do you believe it ought to be on the free list or protected?

Mr. LEAS. Of course there are a great many kinds of leather made. I am only prepared to speak for the kind we make. I am willing to have it put on the free list. Of course there are different kinds of oak leather made in different parts of the country. I can not speak for those, but so far as I am concerned myself I would be willing to have it put on the free list.

Mr. GAINES. What you make is not protected by patent—that is, others can make the same thing?

Mr. LEAS. Yes; others are making the same thing.

Mr. LONGWORTH. Is your firm connected with the Central Leather Company?

Mr. LEAS. No, sir.

The CHAIRMAN. Do you tan all kinds of leather, or simply heavy leather?

Mr. LEAS. Simply heavy leather, Mr. Chairman.

The CHAIRMAN. And of course this duty is only paid on heavy hides?

Mr. LEAS. Yes.

The CHAIRMAN. And before, when it was on the free list, you said you had a large trade in heavy hides?

Mr. LEAS. Yes, sir.

The CHAIRMAN. And now you are not exporting?

Mr. LEAS. No, sir.

The CHAIRMAN. We had an application before us when the chemical schedule was under consideration from two witnesses to reduce the duty on tanning woods introduced into this country, which is now, I believe, a cent a pound—all the way from seven-eighths of a cent to a quarter of a cent. If the committee should make a substantial reduction of the duty on tanning woods, that would still further help you, would it not?

Mr. LEAS. Yes, sir; very much.

The CHAIRMAN. Would that help you sufficiently so that you would be willing to give it as your opinion that not only heavy leather, but that all leather, should go on the free list?

Mr. LEAS. I would not like to speak for other leathers, Mr. Chairman, because I am not familiar with the costs of making them.

Mr. CLARK. If you put hides on the free list and leather on the free list don't you believe it will help the American manufacturers of leather and so stimulate the trade that you will command the markets of the world in leather?

Mr. LEAS. Well, I think it would.

**ELISHA W. COBB, OF BOSTON, MASS., MANUFACTURER OF
LEATHER, ASKS REMOVAL OF DUTY FROM HIDES.**

SATURDAY, *November 28, 1908.*

The CHAIRMAN. Mr. Cobb, you are a tanner, a manufacturer of leather; of the heavy or of the light leather?

Mr. COBB. I am a manufacturer of heavy leather, called split leather.

The CHAIRMAN. Very well, proceed.

Mr. COBB (reads). Mr. Chairman and gentlemen, I propose to give you an idea of the upper-leather business in a few words, before and after the tariff of 1897. I propose to show you who did the business in tanning our upper leather before the tariff and who is doing it now. I also wish you to note that in the upper-leather business trade is very largely concentrated, namely, tanners of upper leather for shoes, tanners of upper leather for bag purposes, etc., and tanners of finished leather for belting, harness, etc., and that each trade is as different in its character as the grocery business from the dry goods

trade in many ways. Outside of a few prominent first-class competitors, it is done by the Chicago packers and trust, The American Hide and Leather Company.

Do you think this well for the country and for the future of the leather and shoe trades in our country and our young men growing up in business? What will the trusts and the packers teach the coming tanners in our country? Namely, manipulation. They can not teach them the art of tanning; that is, the Chicago packers who are at present entering the field do not understand the art of tanning.

We can not stand and continue our business successfully with the tariff on beef hides. The great packing concerns of the West appear not satisfied with the present tariff on beef hides, which we independent tanners call a bounty to them of 15 per cent, but for the past few years they have been engaged in corraling the upper-leather business in connection with their interests in the sole-leather business. Certainly, should they continue a few years more with their present advantages in the way of the tariff and possible manipulations of which they are masters in the market, the independent upper-leather tanner will become a thing of the past. To-day the upper-leather tanner's only hope is his opportunity to buy his raw material in foreign markets in competition, thus compelling the so-called packers to start on the same basis with their raw material for upper leather as the ordinary independent tanner naturally would do.

In presenting you this statement, I imagine you gentlemen would like a practical statement of what has been done and what we are doing and can do, as you are well supplied with statistics and reading matter in connection with this hide duty. My experience runs over thirty years in a concentrated line of hide upper leather called "cow-hides," which business, possibly, has been affected more by the duty on beef hides than any other. Naturally, the tanner must go out if the manipulator comes in protected.

In our early experience our competitors were large in numbers all over the country, tanning, however, comparatively few hides in comparison with the large tanners of later years. However, these tanning upper-leather firms were practically all successfully increasing their business year by year and making money, selling both at home and abroad, until the advent of the American Hide and Leather Company, in September, 1899. This trust corralled practically two-thirds of the side upper-leather tanners, leaving not much more than a baker's dozen of what we call independent tanners in the upper-leather business. From the date of their starting to the present time, however, this trust appeared to be out for quantity of business rather than profit. However, by corraling so many of the tanners, it left the opportunity open for the packers to come in and commence upper-leather tanning, together with manipulations, which has caused sad havoc.

From 1885 to 1895 side upper leather business abroad was more than doubled. Since the advent of the tariff in 1897 it has not averaged over one-third of what it did in former years in our line. During the years from 1880 to 1895 hides were very low. In other words, as a by-product they brought low prices. They had no inspiration from the tariff or packers to advance them. In 1889 we bought buff hides at 4 cents a pound. In 1893 we bought them as low as 3 cents a pound. At the present time they are 13 cents. It is possible in

foreign trade to do a large and increasing business with continental Europe if prices are not excessively high, but when over 9 to 10 cents for buff hides our trade is entirely gone, as they use India skins for substitutes. For the past few years we have not been able to sell abroad upper leather in any quantity, except under panic conditions, owing to the high values prevailing.

DOMESTIC LEATHER.

If we are to hold our domestic trade, we can not have a tariff on our raw material in upper leather, nor can we stand the manipulations by the packers that control hides with prices unreasonable and prohibitive in normal times and under normal conditions. We doubt if any upper leather tanner has made good, so to speak, any year for ten or more years when hides cost the tanner over 10 to 11 cents for his buff hides. Therefore naturally the tanner curtails his business when hides are high, and in recent years our friends keep our tanneries curtailed most of the time, and keep us dancing to the tune of the high values they make for us.

They say to us, "If you do not wish to buy, we will tan ourselves. Take it or go." Our raw material is called "buff hides." The substitutes are called "light packer cows." The usual spread before the tariff in 1897 between these two styles of hides, made on the ground of quality, was 1 cent a pound in favor of the packer hide. Since their control in the hide business in this country they have benefited themselves by making a spread between their light cows and buffs of 2 cents or more a pound. They appear to be getting all the benefit from their hides that the tariff can give them, holding high values to the independent tanner, and their surplus, which the independent tanner can not buy at the price, they tan themselves and sell both at home and abroad, in this way manipulating their business for their own interests. The tariff benefits without doubt the packer to the fullest extent, as it is confined to beef hides only, and that fully covers their wants.

Had the tariff been put on calfskins there would have been a consideration to the farmer, for whose benefit it was originally supposed to be placed. The farmer has his calfskins to sell; he kills his own calves largely, but he does not kill his own cows himself. Those are sold to the packers on the hoof, who get the benefit of the later higher prices on the hides themselves when sold, owing to the tariff.

It seems plain to us that the tariff benefits the large dealers in beef cattle only, and at the same time curtails the tanning industry in the United States. It seems plain that it does not benefit the farmer. Without question it will run the independent tanner out of business if the tariff is continued. It seems that the mechanic, farmer, merchant, and others who use hide leather in their shoes must pay this bounty given by this tariff to the packers in the price of their shoes, covering fully any advance they may receive on the kill of any country butcher, hides which they may sell as beef hides.

As stated originally, from 1880 to 1895 we had in the upper-leather tanning business simply private tanning firms, all doing a successful business financially. These have been reduced to a very small number of firms at the present date. At the present time it is ominous and suggestive that the leading upper-leather tanners are in the packing

business, namely, Swift & Co., of Chicago; Armour & Co., of Chicago, and Morris & Co., of Chicago. They have been well nurtured and fed by the present tariff, and are looking ahead to the time when they will have complete monopoly both in the hide business and in the sole and upper leather business. At the present moment these gentlemen, either by manipulation or otherwise, have got buff hides to 13 cents a pound, having advanced from 50 to 75 per cent within one year. We believe that raw material should go up gradually under supply and demand conditions, as it would in the hands of real merchants. Take, for comparison, any other line of merchandise that the panic affected such as copper. Copper fell in value as much as hides. Copper has gone up from the low point in the panic of a year ago 15 per cent. Hides have been put up 50 per cent, causing consternation and havoc with our tanners, shoe manufacturers, and retailers of shoes all over the country.

SHOES.

From 1880 to 1885 shoe manufacturers in the United States were busily engaged in turning out shoes for the working people, making a shoe which sold at price from 85 cents to \$1, which was very popular. This shoe is still sold in England at that price, but it is impossible to make it in this country, owing to conditions since the tariff for our manufacturers to make this shoe. The present price of this shoe would be from \$1.50 to \$2. It is clear to see that the farmer and mechanic must pay this advance in the shoes, owing to the higher value of hides and leather since the advent of the tariff. It was a shoe made from hide leather, strong and solid, without much style, but durable. This shoe is now replaced by skins from India, largely manufactured in England, some being imported into this country.

THE INDEPENDENT TANNER SKILLED IN HIS BUSINESS.

Admittedly the tanner in the United States has developed and gained, and is continually gaining, in the manufacturing supremacy—in the art of making the most out of his raw material or hides—in comparison to any other country in the world. Our handicap at present is high raw material. Before the tariff we did not have this handicap. It has forced us to give up large operations abroad. Let the independent tanner have a fair chance, and the tanning industry in the United States will multiply by hundreds of new firms engaged in the industry.

To-day we get 50 per cent more out of our bark liquors than the tanner got ten years ago, by the scientific employment of the tanner's skill. During the past five years we have produced out of common cow hides, patent leather for men's and women's shoes, competing with the best and highest-priced skins in the world in price, in the finest grades. These skins are called "kangaroo," and are imported. In other words, out of the coarsest-grained beef hides we produce a product which brings the same prices as the finest kangaroo skins. The tanners look on this work with pride, as the artist looks upon his painting with pride.

Twenty years ago the upper-leather tanner for shoes made only two kinds of leather. Now he makes thirty different styles, from

which the shoe manufacturer can pick to please the tastes of his customers, all at about the same price and all from beef hides. I speak of this to show that the independent tanner has been industrious and encouraging industry, for the purpose of making comparison with what we shall have presently, if the tariff on beef hides is continued.

Will you gentlemen continue the duty at the expense of the tanning industry in the United States? Will you foster the novice packer as a tanner at the expense of the whole trade? I speak feelingly, not personally, as I love the business and wish to bespeak a fair chance for the young men in the trade who will follow us. Most of my work is done, but I would like to see the industry prosper as an American industry in the coming years. If you want it to do so, hold up the hands of the trained tanners, the same as you would hold up the hands of the trained teachers in the schools and colleges, where each are supposed to make good, rather than to put this trade into the hands of manipulators and men who have only personal greed to gain.

You will note this duty on beef hides is simply heavy hides, out of which the workman's shoes are made, and the light hide, out of which the professional man's shoes are made, is and has been without duty. "A word to the wise is sufficient." The packers deal mostly in heavy cattle.

I have given you plainly the conditions of the upper-leather tanning business, which I entered as a boy of 15; starting my own business with nothing but courage—meaning I had no capital—at 24. I state this to show the possibilities in the United States in the earlier years of the young men in the tanning industry getting a start before the advent of the tariff or the packer into the business. Do you gentlemen think our boys will have a fair chance to continue this industry under present conditions? On every hand people of all classes of life call upon us as tanners to place their boys in our tanneries and warehouses, that they may learn a staple American business. Together with shoe manufacturing, possibly, there have been no better opportunities in the past for our young men.

Will it be the trained tanner or the astute packer of Chicago? I trust, after full consideration, you will say to the American tanner, "You have made good in your industry, which is freely admitted by your countrymen. Continue your work over the beam." And, turning, say to the packer, "We find it best for you to continue killing hogs and cattle, at which admittedly you are masters."

Mr. McCALL. Mr. Cobb, you are of the firm of Beggs & Cobb, are you?

Mr. COBB. Yes, sir.

Mr. McCALL. How many tanneries have you?

Mr. COBB. Four.

Mr. McCALL. You have a tannery in Winchester?

Mr. COBB. Yes, sir.

Mr. McCALL. How many men do you employ?

Mr. COBB. Roughly, I should say about 700.

Mr. McCALL. What wages do you pay, as a rule?

Mr. COBB. I should think our wages average about \$12 a week.

Mr. McCALL. About \$12 a week?

Mr. COBB. Yes, sir.

Mr. McCALL. You say there are about thirty different kinds of upper leather?

Mr. COBB. Yes, sir; sliced out of the same hide, and practically at the same price.

Mr. McCALL. You make upper leather entirely?

Mr. COBB. Upper leather entirely; yes, sir.

Mr. McCALL. What hides do you use mainly—the imported hides?

Mr. COBB. No, sir; practically domestic hides, although we do import. We import perhaps a fourth of them.

Mr. McCALL. Do you use light hides?

Mr. COBB. We use hides weighing from 25 to 60 pounds. The hides I import I am obliged to sell abroad. I can not import them and sell them in this country.

Mr. McCALL. Now, Mr. Cobb, what do you think about the effect on making upper leather in this country of putting upper leather on the free list?

Mr. COBB. Answering your question, I would say that if I can buy my hides on the free list I think the American upper-leather tanner can beat the world out. [Applause in the audience.]

Mr. DALZELL. Without a duty?

Mr. COBB. Without a duty.

Mr. GAINES. What sort of hides do you use? What weight?

Mr. COBB. From 25 to 60 pounds.

Mr. GAINES. What would be the average cost of such a hide to you?

Mr. COBB. The average cost per pound to-day?

Mr. GAINES. Well, yes.

Mr. COBB. Thirteen cents.

Mr. GAINES. Thirteen cents a pound?

Mr. COBB. Yes.

Mr. GAINES. I do not understand the business well enough to follow you exactly as to the kind of leather you make. What was your general description of it?

Mr. COBB. Upper leather. It is the hide, the same as the sole-leather people use, lighter in weight. We tan it originally in rough leather and then split it.

Mr. GAINES. That is what we called "split leather?"

Mr. COBB. Yes.

Mr. GAINES. You make that two?

Mr. COBB. Yes; two sides to one side.

Mr. GAINES. And the cost of that per pound to you is 13 cents?

Mr. COBB. Yes, sir.

Mr. GAINES. You split it in two?

Mr. COBB. Yes.

Mr. GAINES. How much on the average of such a hide would weigh a pound, originally, before it is split?

Mr. COBB. About a pound to the foot.

Mr. GAINES. Then, after you have got it split, the cost to you is about 6½ cents a pound, is it not?

Mr. COBB. Yes.

Mr. GAINES. A foot of your leather, after you make it and have it ready for sale, costs you at the present prices on the average of 6½ cents, did it not?

Mr. COBB. It costs more.

Mr. GAINES. You said it costs 13 cents a foot on the average, and you split it and make it 2 feet. I am talking about the value.

Mr. COBB. The lower side is not worth as much as the grade.

Mr. GAINES. I understand, but the first cost to you is 13 cents?

Mr. COBB. Yes, sir; and then we have to tan it.

Mr. GAINES. Oh; I understand it costs you more than 13 cents?

Mr. COBB. If you put it that way, you can double it up.

Mr. GAINES. What I want is, what the first cost is to you, the raw product; what proportion of the cost of your finished product to you is represented by the cost of the raw material to you? It will be $6\frac{1}{2}$ cents, will it not?

Mr. COBB. Naturally, if you figure it that way.

Mr. GAINES. Now, the tariff is how much?

Mr. COBB. Fifteen per cent.

Mr. VOGEL. No; 20 per cent.

Mr. COBB. Twenty per cent.

Mr. GAINES. So that if the whole amount of the tariff were added to the cost of the article to you, it would amount to about a cent a foot on your finished product, would it not?

Mr. COBB. Yes, sir; or a little more.

Mr. GAINES. Do you believe that that would finally make any difference in the price that the retail purchaser pays for shoes?

Mr. COBB. Yes, sir; because I can not handle it. I can not make the bulk unless I can buy it cheaper. We stopped making bulk.

Mr. GAINES. It represents a cent per square foot, roughly speaking, that tariff, even assuming that the entire tariff is added to the cost of the raw material. In the first place, what character of shoes does your leather enter into?

Mr. COBB. Mostly workmen's shoes. Outside of patent leather, it is mostly workmen's shoes. They use some patent leather in farming, but not much.

Mr. GAINES. Does your leather go into patent leather?

Mr. COBB. Yes, sir.

Mr. GAINES. Then it is not entirely the coarser shoes?

Mr. COBB. Patent leather, as I have just read, is something that the American tanner has brought out in the past five years, and he has beat the world out in doing it. We get a fine product out of a common hide.

Mr. GAINES. I understand that. About how much of your leather would go into an ordinary pair of workman's shoes, say?

Mr. JONES. Three feet.

Mr. COBB. Mr. Jones answers "3 feet." We tanners are scattered. We do not know much about what the shoemaker does. We sell the leather to him.

Mr. GAINES. Do you know what an ordinary pair of workmen's shoes will retail for?

Mr. COBB. About \$2.

Mr. GAINES. Then it would wholesale for about \$1.50 and retail for \$2?

Mr. COBB. Yes, sir.

Mr. GAINES. In the total cost of that leather of the kind you are talking about in that shoe there might be as much as 3 cents saved, and all that Mr. Boutell's ultimate consumer would be benefited

would be by whatever proportion of 3 cents he happened to get the benefit of after the tanner and the jobber and the shoeman and the wholesale merchant and the retail man got through dividing it? Is not that true?

Mr. COBB. Practically. Three cents for the upper leather alone; so much more for the sole leather.

Mr. GAINES. That is all.

The CHAIRMAN. Mr. Cobb, you made a statement that you think you could beat the world on leather if the duty is removed on hides. Would it be of any assistance to you to reduce the duty on imported quebracho and other woods, from which tanning extract is derived?

Mr. COBB. Naturally.

The CHAIRMAN. There is a cent a pound on all those woods now.

Mr. COBB. Yes. That naturally adds to the cost of our business.

The CHAIRMAN. You think that would have an effect on your industry?

Mr. COBB. Very largely; yes, sir.

Mr. RANDELL. I notice that under the act of 1890 there was a duty of $1\frac{1}{2}$ cents a pound on these raw hides. You stated a while ago that there was not any tariff, as I understood you. Is it not a fact that that was a prohibitive tariff?

Mr. COBB. I do not know that I understand what you say, sir.

Mr. McCALL. Will you please repeat that question, Mr. Randell?

Mr. RANDELL. I say, is it not a fact that under the act of October 1, 1890, there was a tariff of $1\frac{1}{2}$ cents a pound on raw hides, whether dry, salted, or pickled, and other skins?

Mr. COBB. I understood there was not any until the act of 1897.

Mr. RANDELL. I see it reported here by government authorities that in 1894 the rate of duty was $1\frac{1}{2}$ cents per pound, and the quantity introduced was 4,000,000.

Mr. DALZELL. That is not on raw hides.

The CHAIRMAN. The raw hides were all put on the free list in the act of 1894.

Mr. RANDELL. Raw or uncured hides, whether dry, salted, or pickled, under section 3 of the act of October 1, 1890, and the value of the imports was, in the year 1895, \$40,910, and the amount of duty in 1895 was \$7,006.08. That is on page 474 of this book [exhibiting Mr. William W. Evans's "Imports and Duties, 1894-1907"].

Mr. VOGEL. Hides have been on the free list since 1871.

The CHAIRMAN. That was a duty where the other countries put a duty on hides. That was a retaliatory duty, Mr. Randell. They put the same duty on hides that other countries put on the importation of hides.

Mr. RANDELL. That was $1\frac{1}{2}$ cents a pound.

Mr. BOUTELL. That was reciprocity. [Laughter.]

The CHAIRMAN. Or retaliation.

Mr. RANDELL. I guess you are correct about that, but that does not so state here. What I was further going to ask the witness was this: I notice that there were no hides practically imported at that time under that act. Now, under the act of 1894 hides were on the free list, and under the act of 1897, the Dingley Act, 15 per cent ad valorem was placed upon them. Is it not a fact that you have only had to pay duty on the hides that are over 25 pounds in weight?

Mr. COBB. Yes, sir.

Mr. RANDELL. I notice the duty collected under the act of 1897 was nearly \$3,000,000. What percentage of the importations of hides did that cover in value? In other words, what was the percentage of hides over 25 pounds in the importations?

Mr. COBB. I could not answer your question. Mr. Vogel says one-fourth.

Mr. RANDELL. That is, one-fourth of the hides imported. Now, three-fourths of the hides imported come in under this ruling of the duty, that they would not have to pay any duty because they weighed less than 25 pounds. Is that correct? If this was one-quarter, of course three-quarters came in free of duty?

Mr. COBB. I have not the statistics you have there, but I would say this to you: We do not use any such hides at all in making upper leather. All the hides we use are dutiable.

Mr. RANDELL. Heavier hides?

Mr. COBB. Yes, sir.

Mr. RANDELL. Is it not a fact that almost everything the farmer uses, except perhaps the upper, is from the kind of leather you manufacture, the heavy kind?

Mr. COBB. Yes, sir.

Mr. RANDELL. And that comes from the hide that he does not ordinarily produce?

Mr. COBB. How is that?

Mr. RANDELL. That comes from the kind of hide that the packers mostly control?

Mr. COBB. Yes, sir. The heavy hides they control.

Mr. RANDELL. It was stated here by the gentleman who preceded you that the tanners ought to have a fair chance with the balance of the world and have free access to all the markets of the world. You are a tanner yourself. From that same standpoint ought not the manufacturers of shoes to have a fair show in the markets of the world and have free the leather they use in making shoes?

Mr. COBB. That would appear to be so, without question.

Mr. RANDELL. And then ought it not to be so with the men who raise the hides, the farmers? Ought they not to have a fair chance and have free shoes? Would not the same thing apply?

Mr. COBB. I would not want you to lead me too deeply into other industries. I have not got into the shoe business or into the farming business. I am a tanner. I suppose they are able to take care of themselves.

Mr. RANDELL. If the leather man must have a fair show and be put on a fair basis and have his raw material, free hides, and if the shoe manufacturer must have a fair show and be put on a fair basis and have free leather, then would not the farmer be put on a fair basis with the balance of the world by having free shoes? Don't you think that is logical?

Mr. COBB. I think it is good logic, but——

Mr. RANDELL. Don't you think that is good business when it comes down to being on a fair, square basis with the rest of the world?

Mr. COBB. If I was posted as a farmer and as a shoe manufacturer I could answer you better.

Mr. RANDELL. You favor the taking of the tariff off of hides, and not letting the shoes come in free?

Mr. COBB. I am not posted on all those things. I am only posted on what pertains to my own business.

Mr. RANDELL. If the law stands as it is, whether for protection or for revenue, don't you think it would be fair to so write this bill that the Treasury Department could not, by construction, take away the tariff that is intended to be put upon three-fourths of the hides imported, and the kind of hides raised in this country by the farmers and stock raisers? Don't you think it would be fair to write it so that there could not be any misconstruction, and that everybody would have to pay the duty? Please answer that question. Don't you think that would be fair?

Mr. COBB. I am utterly unable to answer the question.

Mr. RANDELL. Don't you think that ruling was very unfair and in your favor? Can you not answer that? Don't you think that ruling was simply a ruling that took off the tariff in your favor? Please answer that question.

Mr. COBB. I would not want to answer your question directly, because I do not consider myself posted.

Mr. VOGEL. If you will permit me, Mr. Randell, I want to make an explanation of the subject of free importations.

Mr. RANDELL. It might be better for you to wait until your time comes, even if he can not answer my question.

Mr. BOUTELL. Mr. Cobb, I would like to ask you one or two questions. As I understood your statement a moment ago, which met with very generous applause, either from the ultimate consumer or the manufacturer of shoes—I was utterly unable to determine which—it was that you were in favor of putting hides on the free list?

Mr. COBB. As it strikes me, I think the tanning industry in this country can take care of themselves if we can buy our raw material, as well as other people, in other countries.

Mr. BOUTELL. Personally, you would not object to putting leather on the free list?

Mr. COBB. Personally, not, sir.

Mr. BOUTELL. Now, it appeared in the course of the interrogatories that were propounded by Representative Gaines that if the duty on hides and leather were repealed this entire amount of duty raised on a pair of shoes would be 3 cents. Is that correct? Is it not?

Mr. COBB. Practically. Three cents for upper leather only.

Mr. BOUTELL. And so far as the tariff's affecting the retail price to the ultimate consumer is concerned, if he got the benefit of the whole of it, it would be 3 cents?

[Cries of "No!" "No!" "No!"]

The CHAIRMAN. I want to say right here that—

Mr. BOUTELL. I do not know whether that came from the ultimate consumers or from the shoe manufacturers. [Laughter.]

The CHAIRMAN. I want to say to the audience that they will refrain from any expressions of approval or disapproval of what is said by the witnesses, and they will also refrain from any general expression such as we have had just now. We will get the facts from the witnesses, and we will try to conduct the proceedings in an orderly manner.

Mr. BOUTELL. Let the question be read.

The STENOGRAPHER (reads):

Now, it appeared in the course of the interrogatories that were propounded by Representative Gaines that if the duty on hides and leather were repealed this entire amount of duty raised on a pair of shoes would be 3 cents. Is that correct? Is it not?

Mr. COBB. Practically.

Mr. BOUTELL. And so far as the tariff's affecting the retail price to the ultimate consumer is concerned, if he got the benefit of the whole of it, it would be 3 cents?

[Cries of "No!" "No!" "No!"]

Mr. CLARK. Cut out "No!" "No!" "No!"

Mr. COBB. Answering your question, I assumed when you asked me first that it was a previous question that he asked me about the difference in the splits of a hide, which I believe he figured at 6 cents apiece. I got that confused. I can not answer your question as to how much difference it would make in the price of a shoe. I am not posted on it. I have never figured on it and I have never considered it.

Mr. GAINES. Here is what was said. If you desire to correct it, you ought, in justice to yourself, to have the opportunity.

Mr. COBB. Thank you.

Mr. GAINES. It was that the leather—a foot of leather or of a hide—costs you on the average 13 cents; that you split that foot into two. That made an average of 6½ cents that the first cost represents in your leather. The tariff on that is about 1 cent in each one of these feet, and it took about 3 feet to make a workingman's shoes; that therefore assuming that the whole cost of the tariff on hides was added to the cost of the shoe, it would amount to 3 cents in a shoe; that the jobber charged about \$1.50 for that; that the retail man put on 50 cents, and that, in your opinion, in the progress of the leather from the tanner to the jobber and to the manufacturer of the shoe, and from the manufacturer to the jobber and retail man, probably in all that process the ultimate consumer would have no benefit from the 3 cents, but that it would be absorbed before it reached him.

Mr. McCALL. That is what I understood. But did that question include sole leather?

Mr. GAINES. The whole amount of his product that entered into the shoe.

Mr. McCALL. The 3 feet of upper leather?

Mr. COBB. That is true.

Mr. BOUTELL. How much of other leather would be in the same shoe?

Mr. COBB. I could not answer that. The sole-leather business is as foreign to me as the grocery business is.

Mr. GAINES. But the ultimate consumer would not get the benefit of that reduction.

Mr. BOUTELL. That is what I understood it to be. Then if we consider that the 3 cents, which is the amount that the tariff adds to your product in the shoe—if we consider that 3 cents as the tribute which Mr. Leas referred to, it would not be very excessive if we had in mind something else as the tribute which the retail purchaser paid in his price for the shoe. The way to get at that would be by repealing or greatly reducing the tariff on shoes, would it not?

Mr. COBB. I should consider that a question which you gentlemen were able to answer better than I.

Mr. BOUTELL. Is there any other way to get at it, so far as it is affected by the tariff? If we have free hides and free leather, there remains nothing but the duty on shoes. That is all.

Mr. GRIGGS. I understood you to say, Mr. Cobb, that you did not split very much leather.

Mr. COBB. No, sir; you did not understand me to say that. We split it all.

The CHAIRMAN. Mr. Cobb, I want to understand you. There are some higher and special grades of leather. I think you said you manufactured patent leather?

Mr. COBB. Yes, sir.

The CHAIRMAN. Your statement applied to that?

Mr. COBB. Yes, sir.

The CHAIRMAN. Other higher grades are protected by a very high duty, some of them. I see "japanned, varnished, enameled," and so forth.

Mr. COBB. Those classes of leathers, I suppose, would come under the head of calfskins.

The CHAIRMAN. They are in the same paragraph and dutiable at 30 cents per pound and 20 per cent ad valorem.

Mr. COBB. That would be calf.

Mr. GRIGGS. Mr. Cobb, suppose, in addition to the 3 cents that Mr. Gaines has calculated would be saved to the consumer by the removal of the tax on hides, the duty on leather should also be removed—

The CHAIRMAN. One moment. Complaint is made that the chairs set aside for the newspaper reporters at the reporters' table are occupied by other persons and that the reporters can not get a chance at the table. If that is the case, I trust that the reporters can have seats; and that the gentlemen who are occupying them will vacate them. Are there any reporters that desire seats who can not get them? I am very sorry to discommode anyone, but the reporters are entitled to those seats, of course.

Mr. GRIGGS (continuing). What would be the additional saving by the removal of the tax on leather?

Mr. COBB. On imported leather?

Mr. GRIGGS. Yes. What is the duty on leather now? Is it 20 per cent?

Mr. COBB. Yes; I think so.

Mr. GRIGGS. What would be the saving, in addition to these 3 cents?

Mr. COBB. I could not answer that.

Mr. GRIGGS. How much leather does it take to make a pair of shoes? You have already calculated on that.

Mr. COBB. But I am not posted to answer your question. I would not be posted unless I was a shoe manufacturer.

Mr. GRIGGS. What is the value of that 3 feet of leather?

Mr. COBB. It runs from 10 cents a foot to 30 cents.

Mr. GRIGGS. I mean in the workingman's shoe.

Mr. COBB. That would average from 12 to 15 cents a foot.

Mr. GRIGGS. Is it 15 or 12? I want to make a calculation, and in order to do that I want the figure definite.

Mr. COBB. A heavy shoe, 15 cents.

Mr. GRIGGS. Twenty per cent to that would be 3 cents more. That would be 6 cents. In my friend's calculation he was leaving out the sole. He has not reached quite so far yet.

Mr. GAINES. Let us see. It certainly ought not to be hard to tell us how much leather goes into the average workingman's shoe. How much did you say it was per pound?

Mr. COBB. It is according to whether it is a heavy or light shoe.

Mr. GAINES. Take the kind that would go into the \$2 shoe that the workingman pays \$2 for at retail.

Mr. COBB. I should say 15 cents a foot.

Mr. GAINES. That would cost you what, when you buy it in the hide—that is, the cheaper sort of leather?

Mr. COBB. That is the kind we make.

Mr. GAINES. You said your leather averaged you a cost of 13 cents a foot, did you not?

Mr. COBB. All of the upper leather is called cowhide leather.

Mr. GAINES. That does not answer my question for me. Let me take it over again. What is the average cost per foot to you of the hides which you buy to go into your leather, or what is it per pound? Did you not say 13 cents?

Mr. COBB. That is very close to it.

Mr. GAINES. About 13 cents?

Mr. COBB. The price has varied so from time to time during the past year that it would be pretty hard work to tell you what the average cost of my leather is.

Mr. GAINES. Well, at the present time what is it?

Mr. COBB. I should say my average cost is 12 to 13 cents a foot.

Mr. GAINES. The leather which goes into the kind of shoe which retails at \$2 costs you to-day on the average what, per pound or foot?

Mr. COBB. After it is finished?

Mr. GAINES. No, no; to buy the hide.

Mr. COBB. Those hides cost me 13 cents a pound.

Mr. GAINES. On the average, you say?

Mr. COBB. Yes, sir.

Mr. GAINES. You make patent leather as well as the cheaper grades of leather, do you not?

Mr. COBB. Yes, sir.

Mr. GAINES. Therefore it occurred to me to ask you what the kind of leather that goes into the \$2 shoe cost you on the average per pound, and you still say 13 cents for that?

Mr. COBB. Yes, sir; the same.

Mr. GAINES. What does that leather weigh on the average; how many feet of it to the pound?

Mr. COBB. Oh, on the average it weighs about 5 ounces to the foot.

Mr. GAINES. That makes how many feet to the pound?

Mr. COBB. I have not figured it that way.

Mr. GAINES. Will you kindly figure it that way now?

Mr. COBB. 3.35, I should say.

Mr. GAINES. There is therefore about a pound of your leather which enters into the manufacture of the kind of shoes which retails for \$2?

Mr. COBB. I should say that was practically correct.

Mr. GAINES. Then that pound cost you, in the purchase of the hides, about 13 cents; is that correct?

Mr. COBB. Yes, sir; but it must be reduced from the raw material to the finished material, which was originally about 3 pounds. Upper

leather, you know, goes by the foot, but sole leather by the pound, and you can not take them both upon the same standard; that is, you must take sole leather different from upper leather. We split this and we have to reduce it from its green weight. It does not weigh the pounds in the finished that it does in the raw.

Mr. GAINES. Well, Mr. Cobb, I am not trying to cross-examine you, but I am merely endeavoring to elucidate facts, and you ought to be able to see what fact it is I am trying to elucidate. You know how to help me, I am sure. What is it that you have stated that the leather which you make, which enters into a shoe that retails for \$2, costs you as a hide?

Mr. COBB. I stated about 13 cents a foot—13 cents a pound—the hide; the leather about the same, the upper leather.

The CHAIRMAN. This man manufactures splits.

Mr. GAINES. That is all he does manufacture.

Mr. COBB. Splits and grains; two sides. To get our cost of this leather we take the rough leather, split it, and the price of the grains is so much and the price of the splits is so much. We have to add them together.

Mr. GAINES. Yes, I understand that; but why don't you answer the question as to what the leather does cost that enters into the shoe?

Mr. COBB. I really would be glad to answer any question you have asked. I take a green hide and get so many feet out of it, and I would have to figure the hide; how much it weighed, how much it measured, and how much it weighed again into splits, and add the cost and everything to it. But I can not answer your question, because it takes a shoe manufacturer to do that. I know nothing about it. I can not answer any questions about the cost of shoes, and I assure you I have nothing to conceal from you.

Mr. DALZELL. You said that if hides were put on the free list the leather manufacturer could compete without a tariff. I find in this leather paragraph, under the general heading of leather, "Band or belting leather, sole leather, dressed upper and all other leather, calf skins tanned or tanned and dressed," and so on. Now, how much of that paragraph does your answer as to the free list cover?

Mr. COBB. My leather covers only leather for shoes. We do not make any belting leather, or bag leather, or anything of that character.

Mr. DALZELL. Then your answer is confined to the dressed upper leather?

Mr. COBB. Yes, sir.

Mr. DALZELL. And does not cover "And all other leather?"

Mr. COBB. No, sir.

Mr. DALZELL. Just simply, "dressed upper leather," and it does not cover the term "All other leather?"

Mr. COBB. No, sir.

Mr. COCKRAN. As to the leather which you produce, you speak from knowledge, of course?

Mr. COBB. Yes, sir.

Mr. COCKRAN. And as to the other leather can you not hazard an opinion?

Mr. COBB. It would not do you any more good than if you asked me something about the dry-goods business.

Mr. COCKRAN. You do not know any more about it?

Mr. COBB. Absolutely not.

Mr. COCKRAN. You have been asked to particularize just how much of a tariff fell upon the ultimate consumer, and I understand that so far as your particular leather is concerned, or, rather, so far as the leather bought through you is concerned, it amounts to 3 cents, and even that, you think, might be remitted to the people, from whom it is taken unnecessarily, without subjecting yourself to being accused of engaging in trifles. Of course you do not think that 3 cents ought to be levied upon consumers, any more than \$3, unless there is reason?

Mr. COBB. No, sir.

Mr. COCKRAN. Then let me ask you if a remittance of 3 cents is defensible if it is not necessary?

Mr. COBB. It is not.

Mr. BOUTELL. There is no way you know of by which the tanner joins into any arrangement or contract affecting the price of the finished shoe at retail?

Mr. COBB. Absolutely none.

Mr. BOUTELL. I hope we will get that from some of the gentlemen here to-day. It came up yesterday in a general way as to how a retail price was fixed, and the shoe was given as an illustration. A shoe that I had in mind, I am quite free to say, was one that has been made known throughout the civilized world by one of the enterprising sons of the old Bay State; and I was wondering how the price of the Douglas \$3 shoe was fixed, because I have seen it advertised at the same price in Portland, Oreg., and in Belfast, Me.

Mr. COBB. Well, it is not done by the upper-leather man.

Mr. BOUTELL. It does not begin with you?

Mr. COBB. No, sir.

Mr. BOUTELL. Would you be willing to hazard a conjecture as to what diminution in the price of the Douglas shoe would take place if we repealed the duty on hides?

Mr. COBB. No, sir.

Mr. McCALL. Isn't this true, that when the shoemaker gets his material cheaper he is apt to give a little better quality?

Mr. COBB. Absolutely.

Mr. McCALL. So that the consumer would be able to get this 3 cents perhaps in improved quality?

Mr. COBB. Competition forces the tanner and the shoemaker and all of us into it.

Mr. GAINES. Do you give good quality or a bad quality, Mr. Cobb, under the present conditions?

Mr. COBB. The best that we can afford.

Mr. COCKRAN. That is it, and every concession enables you to afford still better, even though it is only 3 cents?

Mr. COBB. Yes, sir.

Mr. BOUTELL. You have a decided opinion on that—that it is uncertain whether the retail price of the shoe would decrease or the quality improve?

Mr. COBB. Yes, sir.

Mr. COCKRAN. It is certain that one or the other would decrease?

Mr. COBB. Yes, sir.

**STATEMENT OF EDWARD P. ALEXANDER, OF PHILADELPHIA,
PA., WHO ASKS FOR DUTY-FREE HIDES.**

SATURDAY, *November 28, 1908.*

Mr. ALEXANDER. Gentlemen, I am here as a committee appointed by and representing the Leather Belting Manufacturers' Association. The object of this association is to advance and protect the interests of the leather-belting manufacturers of the United States, this being the twenty-first year of our organization.

The import tax on foreign hides has been a matter of frequent discussion and condemnation since its imposition eleven years ago, as it is believed to have an injurious effect on our trade.

There is at times a scarcity of prime heavy hides suitable to tan into belting butts such as we require, and with the protection afforded by the tariff the operators seem to be able to put them at an abnormally high price. Formerly many such hides of Paris take-off and from other continental cities were imported, resulting in sufficient supply and parity in price between this and the world's markets.

Ours is an industry of importance to the great manufacturing interests of our entire country, touching as it does all lines, and we are fully convinced that the duty on hides handicaps our industry and forces consumers to pay high cost for power transmission. It also prevents the natural and proper growth of our export business.

We believe these hardships are borne without serving any good purpose, as hides are a by-product of the slaughtering business; therefore the duty does not bring adequate, if any, benefit to the ranchmen who raise the cattle.

There are in the country about 137 manufacturers of belting, 65 per cent being located on the eastern seaboard. The consumption of hides in the belting industry is variously estimated, but is at least 2,500,000 per year. The makers of leather belting are unanimous in their opinion that the duty of 15 per cent should be abolished.

Mr. BOUTELL. How about the present duty on belting?

Mr. ALEXANDER. We are not disturbed by it at all. I do not know exactly what the duty on belting is, but I think it is about 20 per cent.

Mr. BOUTELL. Are you in favor of any change in that?

Mr. ALEXANDER. I am neither in favor of it, neither am I opposed to it.

Mr. BOUTELL. What are the present exports of belting?

Mr. ALEXANDER. Not large, because of the high price of raw material. When the price of belting butts is down to 35 or 36 cents we can export belting in considerable quantity, but when it gets up to 45 cents, as it is to-day, we can not compete.

Mr. BOUTELL. Then the repeal of the present duty on belting would not interfere with your business?

Mr. ALEXANDER. I think it would.

Mr. GAINES. You have a drawback on belting exported?

Mr. ALEXANDER. But I do not think anybody takes advantage of it, because it is hardly possible to do it.

Mr. GAINES. Why is it not as possible to do that in regard to belting as it is to any other line of manufacture?

Mr. ALEXANDER. I suppose it would be possible, but belting is a particular commodity, and it is not easy to take certain butts and

manufacture them into a certain number of belts and prove our case. There is no belting made out of imported belting hides that I am aware of in this country—raw hides.

Mr. UNDERWOOD. Let me ask you a question, so that I may thoroughly understand you. Representing your business as a manufacturer of belting, if Congress saw proper to put hides on the free list, you will be entirely satisfied to have every duty removed that protects your industry?

Mr. ALEXANDER. Personally I should say yes.

(Mr. Alexander subsequently stated that he would not be satisfied to have the present duty on leather belting removed, but believed it should be continued the same as before the Dingley bill was approved.)

Mr. UNDERWOOD. You think it would not interfere with the business?

Mr. ALEXANDER. No, sir.

Mr. COCKRAN. Could you become an exporter with free raw material?

Mr. ALEXANDER. I think we could to some extent; yes, sir.

Mr. MCCALL. Is there a duty upon other materials which you use besides leather—hides?

Mr. ALEXANDER. Not that we use; no, sir; not to any great extent.

Mr. GRIGGS. There is a duty on machinery?

Mr. ALEXANDER. We have no foreign-made machinery; it is all American machinery.

Mr. RANDELL. But it is protected by a duty, and that is the same thing. Whether you buy domestic or foreign machinery, you pay a higher price by reason of the duty on that machinery.

Mr. ALEXANDER. I do not know that machinery such as is used by the American manufacturers of belting is used or made abroad; if anything it is exported. We export some machines.

Mr. GRIGGS. Largely patented?

Mr. ALEXANDER. There are some patents, but not very many.

H. N. HILL, CLEVELAND, OHIO, PRESIDENT OF THE NATIONAL ASSOCIATION OF PATENT AND ENAMELED LEATHER MANUFACTURERS, FAVORS FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. HILL. Gentlemen, as the representative of the National Association of Patent and Enameled Leather Manufacturers I represent about thirty tanneries, large and small, engaged in the manufacture of leather for the carriage, furniture, saddlery, and automobile trades. These tanneries tan not to exceed 500,000 hides, the large majority of which are so-called native spready steers, which at the present time command the highest price of any cattle hides produced, the market quotation to-day being 17 to 17½ cents per pound, with only a limited quantity to be had. Of the number of these hides tanned in this country not over 60,000, or 12 per cent, are imported. I have with me a copy of a certificate of importation on a lot of 942 hides brought into this country on December 4, 1906, on which was paid

a duty of \$2,009.25, or \$2.13 per hide on an import value of \$14.22 per hide, making the cost to us f. o. b. New York of \$16.35 each on an average cured weight of 100 pounds. As the market price on native spready steers of the same month's take-off, namely, September, was 16½ cents per pound, there is no doubt in my mind, though an ardent protectionist, that the tariff in that case was a tax. It necessarily follows that as the price of native spready steers taken off by the packer for the past ten years has been about the price of Paris city hides, with the duty added, that 88 per cent of the hides we tan pays into the pockets of others not tanners this 15 per cent. Fifteen per cent on our class of hides means practically \$2 each, and, speaking for my own company, I would be satisfied with this amount as profit. The price on our leather is too high, and as the price on hides such as we use nets the packer more than twice as much as he pays for them on the hoof we can not see wherein anybody except the packer receives any benefit, and with the leeway of 100 per cent profit it seems to me that the Government is doing a rank injustice to everybody in the country except the packer by retaining a tariff on cattle hides.

Mr. COCKRAN. You would be content to remit the duties on the finished product if hides were put on the free list?

Mr. HILL. Hides being free and extracts being free, we still have labor. In the manufacture of our line of leather we have in the neighborhood of 50 per cent of cost as labor. We have men employed in our tannery who get as high as \$65 a week in wages, and I doubt if they are paid that on the other side.

Mr. COCKRAN. That may explain your answer, but it does not answer my question. My question is, Would you be content, in case you obtained free raw material and free chemicals, to put your product on the free list?

Mr. HILL. Well, we still have the labor.

Mr. COCKRAN. Does that mean that you would not be content?

Mr. HILL. If you are getting out a protective tariff, that means that we ought to have protection to that extent, where we pay more for labor than the people on the other side.

Mr. COCKRAN. That is to say, you want the protective principle established as to your product, but remitted as to your raw material; is that it?

Mr. HILL. To a certain extent. I believe the duty could be lowered on our product.

Mr. DALZELL. What kind of leather do you make?

Mr. HILL. We manufacture the leather for carriages, enameled top leather, trimming leathers for furniture, and so forth.

Mr. DALZELL. Where does it come in under the tariff law, "Band or belting leather, sole leather, dressed upper, and all other leathers?"

Mr. HILL. There is something in there about lacquered leathers and enameled leathers.

Mr. DALZELL. "Varnished or enameled leather weighing not over 10 pounds per dozen hides or skins"—is that the leather? The duty is 30 cents per pound and 20 per cent ad valorem.

Mr. HILL. Well, I hardly think so.

Mr. DALZELL. What duty do you pay on your leather?

Mr. HILL. I really don't know.

Mr. COCKRAN. Then you don't know how much you are hurt?

Mr. HILL. We are not hurt very much, and 10 per cent duty would satisfy us.

The CHAIRMAN. Do you export leather?

Mr. HILL. A very limited quantity.

Mr. COCKRAN. Why are you here—to swell the chorus rather than to give the solo? [Laughter.]

Mr. McCALL. Do you make a profit on the leather you export?

Mr. HILL. I will tell you; when we export leather we give that 15 per cent back if we get it—the drawback—to the man in the foreign market who is buying the leather, therefore he gets the leather 15 per cent cheaper than the people in this country.

Mr. McCALL. If you get this drawback, it means that you had your raw material free. Do you then make a profit on the leather exported?

Mr. HILL. Yes, sir.

Mr. UNDERWOOD. If you make profit on your exported leather, and are able to compete in a free-trade market where you have free hides, why can not you compete in a free-trade market in this country if you have free hides, and let the other man pay the cost of shipping his leather here?

Mr. HILL. Well, take Canada, for instance. Canada is the only country that I would fear personally. They make the same kind of leather over there that we do, and they get their hides without duty and their extracts without duty. They have a 25 per cent tariff. That 25 per cent tariff enables those tanners there to sell their product to the consumer in Canada at practically the same price that we get in this country. If the duty was removed on leather so as to allow those people to come into this country, they could increase their capacity, and give it away in this country, and still make a profit.

Mr. UNDERWOOD. The only thing you have to fear in this country is the Canadian producer, because he has a tariff wall against him, and he could hold you out of his market, and yet come into yours? That is your position?

Mr. HILL. Yes, sir.

Mr. UNDERWOOD. Would you like to go into the Canadian market yourself?

Mr. HILL. I would like to build a tannery over there; it is a cinch to build it over there.

Mr. UNDERWOOD. If their duty was down, would you like to go into the Canadian market?

Mr. HILL. We have opportunities to go into the Canadian market, but the duty holds us out.

Mr. UNDERWOOD. If their duty was removed you could get in there?

Mr. HILL. We certainly could.

Mr. UNDERWOOD. Now let me put this question to you: If this committee were to write a bill giving free hides and a minimum and maximum duty on leather, as well as hides, and authorizing the Executive to only have free leather with countries granting the same privilege to the American manufacturer, thereby opening the Canadian market to you, would you not be willing to agree to that?

Mr. HILL. Certainly.

Mr. UNDERWOOD. And you would be perfectly willing to have free leather, so far as you are concerned, if you have free leather in the markets of the world?

Mr. HILL. So far as I am personally concerned. I do not think there is any limit to our business excepting the sky if we were allowed free raw materials under those conditions. That is my personal opinion.

Mr. GAINES. Then you do not want a tariff on the finished product?

Mr. COCKRAN. And you are in favor of free leather?

Mr. HILL. Yes, if we could eliminate labor unions, who control about 50 per cent of the cost of production.

Mr. COCKRAN. I thought you said a moment ago that your only limit is the sky. Now you speak of the labor unions.

Mr. HILL. The labor is between us and the sky.

Mr. COCKRAN. You made a remark that seemed quite extraordinary to me. You say that the Canadian manufacturer could come in here and give leather away and still make a profit on it. Precisely what per cent of profit would he make?

Mr. HILL. I tell you by giving things away we sometimes mean without a profit.

Mr. COCKRAN. That is it. You do not mean to say he would be selling at a loss?

Mr. HILL. Yes; if he had to sell his entire production at the same price.

Mr. COCKRAN. Then I would like to know just exactly what you do mean. Do you mean that the Canadian producer could come over here and give his product away at a loss and still make money?

Mr. HILL. Take, for instance, buffings, the product of the splitting, the kind of leather we make. It is something sold largely of the russet. Now, Canada has no outlet for buffings, and they are delivering those into this country to-day as low as a dollar apiece. The market in this country to-day on that particular piece of the hide is \$2.25 to \$2.50, according to the quality. Now, they haven't any market at all for that particular split. That is with them a by-product.

Mr. COCKRAN. Why should they not have a market for buffings as well as we?

Mr. HILL. Well, they do not consume leather like we do. We are the largest consumers of leather in the world.

Mr. COCKRAN. That means that you have the largest market in the world, because consumption is a market.

Mr. HILL. We do.

Mr. COCKRAN. Then would you not like to revise your answer? With free raw materials and free chemicals, do you not think you could conduct, in your own country, a competition without any disadvantage with which you are able to conduct your business now in Canada?

Mr. HILL. I do not believe we could, with the Canadians so much alike.

Mr. COCKRAN. Do you mean to say that we are so different?

Mr. HILL. They are so much like us in their methods of doing business.

Mr. COCKRAN. How would that give them an advantage over us? If their resemblance to us is an advantage to them, how could they claim to have a possible advantage over us?

Mr. HILL. The only advantage they have is their nearness to the bark field; bark is cheaper. It is quite an important item in the manufacture of leather, and they get it cheaper than we do.

Mr. COCKRAN. That is the only advantage?

Mr. HILL. Practically the only advantage.

Mr. COCKRAN. On the other hand, you are nearer to the market.

Mr. HILL. To this market, that is true.

Mr. COCKRAN. They are nearer to the supply of bark, and you are nearer to the market. Do you not think that your advantage is greater than theirs?

Mr. HILL. Well, it only makes more product, and competition in this country at present is very fierce.

Mr. COCKRAN. And what you want to avoid is competition?

Mr. HILL. Not necessarily; competition amongst ourselves we want, but we do not want too much competition.

Mr. COCKRAN. A little bit is good?

Mr. HILL. A little is all right.

Mr. COCKRAN. You stated a moment ago that if there was not a tariff in Canada you could go over there, and I think that you said that it would be a "cinch?"

Mr. HILL. I did not speak that way about Canada; I don't think I made that statement.

Mr. COCKRAN. Where was the "cinch?"

Mr. HILL. In selling our leather throughout the countries of the world, with the exception of Canada.

Mr. COCKRAN. So entirely apart from Canada you would have a "cinch," with free raw material and free chemicals, in the markets of the world?

Mr. HILL. I think so.

Mr. COCKRAN. If you can meet competition in all the markets of the world, you can at least meet it in your own market?

Mr. HILL. The reason we want protection on leather is, as Mr. Vogel stated, the tanning industry has been, in the last twelve years, between the packer on the one side and the tariff on the other, and we have been ground to death.

Mr. COCKRAN. In other words, you want to make up for past experience?

Mr. HILL. Not necessarily make up, but we are a large industry, and we ought to have a legitimate return upon the money invested and the work furnished the laboring people of the United States.

Mr. COCKRAN. But, my dear sir, you stated that with free raw materials and chemicals the markets of the world are a "cinch." Surely you do not want anything better than a "cinch" so far as business is concerned?

Mr. HILL. It costs some money to go away from home. The nearer you can get your business at home the cheaper.

Mr. COCKRAN. But if the markets of the world are a "cinch," surely your own market is something more than a "cinch," if you can find a word to describe such a delectable condition?

Mr. HILL. The lack of raw material might keep us out.

Mr. COCKRAN. But those are apprehensions, not facts.

Mr. HILL. No; but the price of hides to-day would not be 17½ cents if there were enough to go round.

Mr. COCKRAN. Do you mean to say that with the markets of the world a "cinch," your own market would be something less than a "cinch?" Is that what you mean?

Mr. HILL. It has always been.

Mr. COCKRAN. That is, to-day you are better off in a foreign market, with the cost of transportation added to your product, than you are in your own market?

Mr. HILL. It might enable some people who are nearer the seashore than we are to put some product abroad. We split a hide into three or four pieces. We sell at one time or another, for instance, the grain of the hides. We pile up splits, and pile them up. We have paid 17½ cents for the hides. These hide splits pile up, and nobody wants them. Then we go out to find a market and sell them for less than they cost us. We are doing that continually.

Mr. COCKRAN. But you have described the Canadian manufacturer as doing the same thing.

Mr. HILL. He never had a market for his buffings; he has always given those away. In the first place, he adds that to the cost of his hide.

Mr. COCKRAN. But what would prevent you from doing the same thing?

Mr. HILL. The competition.

Mr. COCKRAN. He has competition, too; native competition?

Mr. HILL. But not to compete with. They have a trust over there in Canada.

Mr. COCKRAN. So that in the last analysis all this means a tribute to the trust from the producers' point of view?

Mr. HILL. But we are paying a tribute to a trust in this country.

Mr. COCKRAN. You are?

Mr. HILL. I believe we are.

Mr. COCKRAN. Which trust?

Mr. HILL. The beef trust.

Mr. COCKRAN. And you think that if there is to be a trust you would rather have it yourself?

Mr. HILL. It is the only salvation.

The CHAIRMAN. Must we have a joint debate on the subject of trusts with this witness?

Mr. COCKRAN. He is discussing prices in general and he is discussing his own trust.

The CHAIRMAN. He has no trust, but wants one.

Mr. COCKRAN. That is it exactly.

Mr. LONGWORTH. Are not the Canadian manufacturers also suffering under that terrible handicap that you spoke of, so far as labor is concerned?

Mr. HILL. I do not believe they are.

Mr. LONGWORTH. Do you mean to say that there are no labor unions in Canada?

Mr. HILL. I do not believe there are.

Mr. GAINES. Can not Canadians sell in this market products of the character that you deal in cheaper than they can sell them at home?

Mr. HILL. What they do sell; yes.

Mr. GAINES. You stated that you split a hide into three or four split hides and you then enamel that hide or those splits?

Mr. HILL. Yes, sir.

Mr. GAINES. And sell them to whom, the manufacturers of buggies?

Mr. HILL. The manufacturers of buggies and furniture manufacturers. This leather on the chairs in this chamber is made of leather produced by our manufacturers. Then there are automobiles and saddlery, winkers and harness.

Mr. GAINES. Take an ordinary buggy, such as will retail for \$60 or \$75; do they use the kind of leather that you make, or some cheaper product?

Mr. HILL. A buggy that would sell for the price that you have named would have a leather top, undoubtedly.

Mr. GAINES. How much leather would be in that top?

Mr. HILL. Well, there would be in value from \$1.40 up to \$2.50.

Mr. GAINES. In the buggy?

Mr. HILL. In the buggy top, provided it had just leather quarters and stays. Of course, if the buggy had back curtains and the side curtains were of leather it would take a whole hide of leather, which would probably be about \$12 worth.

Mr. GAINES. In which case it would cost very much more than the price named?

Mr. HILL. Yes, sir.

Mr. GAINES. I am talking about a buggy that retails at, say, \$60.

Mr. HILL. Yes, sir.

Mr. GAINES. That would be, you say, from \$1.40 to \$2.50?

Mr. HILL. A \$60 buggy would have about \$2 worth of leather on the top.

Mr. GAINES. Any other leather in it?

Mr. HILL. The dash is made from leather, and there would be leather shaft straps, and the pole and shafts would be covered or trimmed with patent leather.

Mr. GAINES. How much altogether would you estimate?

Mr. CLARK. The seats also?

Mr. HILL. Not necessarily. Where they put in leather seats and cushions and backs, they add possibly \$2 to the price over the cloth seats.

Mr. GAINES. Then how much of your leather would be in the sort of buggy that I have named?

Mr. HILL. At least \$4 worth.

Mr. GAINES. Do you sell direct to the buggy makers, or to the jobbers?

Mr. HILL. Direct to the buggy maker.

Mr. GAINES. How much does the raw leather cost you when you buy the hide; about how much?

Mr. HILL. I should say about \$2.

Mr. GAINES. Do you sell your finished product at only twice what the raw materials cost?

Mr. HILL. It figures just about twice what the raw material costs.

Mr. GAINES. Does enameled leather, such as goes into chairs and buggies, cost to the man who buys it only twice as much as the hide costs, about \$2—what is the rate of duty on that?

Mr. HILL. Fifteen per cent.

Mr. GAINES. So then the increased cost of the buggy would be 30 cents?

Mr. HILL. Thirty cents; yes, sir.

Mr. GAINES. Which would not make much difference to the purchaser of buggies, would it?

Mr. HILL. Well, the buggy man is in the habit, when figuring on the cost of the buggy, of taking into consideration not only the half cents, but the quarter cents, too, in getting at his cost.

Mr. GAINES. But he does not take the half cents and quarter cents into consideration when he sells?

Mr. HILL. Of course, it has gone out of his hands.

Mr. GRIGGS. I understood you to say that when you exported leather you gave the 15 per cent to the foreigner?

Mr. HILL. Yes, sir.

Mr. GRIGGS. And you charge it against the American?

Mr. HILL. We figure our foreign hides on the same basis as domestic hides. When we sell them we try to make the reduction of 15 per cent.

Mr. GRIGGS. You collect that of the American consumer, but you contribute it to the foreign buyer; is that right?

Mr. HILL. Not necessarily; no. We are compelled to pay the same price for domestic hides as foreign hides. Our export business, to a certain extent, is uncertain. In the case of making quotations for exports, we make them based upon our foreign hides, with 15 per cent on the particular hides sold taken off, so as to compete in the markets of the world, so-called, with the man who has no duty to pay.

Mr. GRIGGS. Isn't that exactly what I said, that you sold to the American 15 per cent higher, and to the foreigner 15 per cent lower?

Mr. HILL. Yes, sir.

Mr. GRIGGS. That is on the principle of taxing the home consumer in order to feed the foreigner; is that right?

Mr. HILL. I know; but we are not drawing the tax ourselves. I believe myself that this is a tax, this 15 per cent is a tax on every hide produced in this country.

Mr. GRIGGS. I am not blaming you for it, I am blaming the system. Now, then, when you come down to the question of 30 cents saved on a buggy, if it is wrong to take \$30 illegally, it is just as wrong to take 30 cents illegally, is it not; you would not make any distinction between taking \$30 and taking 30 cents, would you?

Mr. HILL. Well, you know business is business.

Mr. GRIGGS. All right.

The CHAIRMAN. You say you make enameled leather?

Mr. HILL. Yes, sir.

The CHAIRMAN. Do you make patent leather?

Mr. HILL. Yes, sir.

The CHAIRMAN. And japanned and varnished leather?

Mr. HILL. Yes, sir.

The CHAIRMAN. Those four comprise the leathers you make?

Mr. HILL. It all practically means the same.

The CHAIRMAN. The duty on those four varieties of leather, weighing not over 10 pounds per dozen—

Mr. HILL. Ours weigh more than that. They weigh at least 10 pounds apiece.

The CHAIRMAN. Weighing over 10 pounds and not over 25 pounds per dozen, 30 cents per pound and 10 per cent ad valorem. Do they come under that particular designation? The next bracket is, weighing over 25 pounds per dozen.

Mr. HILL. It comes under that.

The CHAIRMAN. That is 20 cents per pound and 10 per cent ad valorem. That is the duty you have. I wish, after you leave the witness stand here, that you would sit down and figure out the difference in wages that you would have to pay between here and Canada, and show us just what portion of this duty, if any, is necessary for the protection of your industry, which now receives 20 cents a pound and 10 per cent ad valorem. Please reduce it to writing and submit it to the committee. Will you do that?

Mr. HILL. I can do that. I can state right here that if we had a duty of 5 per cent protection that would be sufficient.

The CHAIRMAN. Sufficient for protection?

Mr. HILL. Yes, sir.

Mr. RANDELL. I understood you to say that you had trouble with labor, and that Canada was the country you had to compete with. Labor is lower priced in Canada than in the United States, is it not?

Mr. HILL. Yes, sir.

Mr. RANDELL. How much lower? What is the price paid to labor there in your business?

Mr. HILL. We have not a man in our employ who gets less than \$2 a day, common ordinary labor. They go from that up.

Mr. RANDELL. What is the difference in the price in Canada?

Mr. HILL. You can hire a man in Canada for at least \$1.50 a day.

Mr. RANDELL. For this business?

Mr. HILL. Yes, sir.

Mr. RANDELL. And a man of the same experience?

Mr. HILL. I am talking of common labor.

Mr. RANDELL. What percentage did you say of labor enters into your production?

Mr. HILL. About 50 per cent.

Mr. RANDELL. I thought you said about 70 per cent.

Mr. HILL. No, sir; 50 per cent.

Mr. RANDELL. Fifty per cent of the product is labor?

Mr. HILL. Yes, sir.

Mr. RANDELL. And about 50 per cent is material?

Mr. HILL. Yes, sir.

Mr. RANDELL. I understood you to say in answer to a question by Mr. Gaines that you sold at about double the cost of your material. How could you make a profit at that? Haven't you figured your labor too high?

Mr. HILL. We have not made any profit for years.

Mr. RANDELL. Then where did you get that "cinch"?

Mr. HILL. That is what we are looking for; we haven't got it yet.

Mr. RANDELL. Then you mean you really haven't it, but you hope to have it.

Mr. HILL. I said if we had all these things it would be a benefit, and that it would be a cinch that you are going to give us—

Mr. RANDELL. Do you mean to say that you have been selling at double the cost of the material, which means about the actual cost to yourself; that you have been selling that way?

Mr. HILL. I said that our labor was about 50 per cent.

Mr. RANDELL. If the labor is 50 per cent, and the cost of material is 50 per cent, and you pay for both, then you sell at twice the amount of your material, and you have not made a cent. That is your statement.

Mr. HILL. I stated in the article that I read that the duty amounts on the hides we use to about \$2 apiece, and if we could get that \$2 apiece for profit of manufacture we would be entirely satisfied.

Mr. RANDELL. But I am not asking you about that. You know what the cost of your material is, do you not, because you have to pay for it; isn't that a fact?

(No response.)

Mr. RANDELL. I did not care to take up too much time on that, but you made the statement that your cost of material was 50 per cent. Is that not correct?

Mr. HILL. No; the cost of our labor in our japanning department is 50 per cent, and in the tannery it is about 33½ per cent.

Mr. RANDELL. Then the cost of labor was overstated by you a while ago?

Mr. HILL. It was overstated. I was thinking of the japanning cost.

Mr. RANDELL. Yes; labor is usually the buffer. Manufacturers hold it up between the law-making power and themselves, saying, "If you reduce the duty you hit the labor;" they hold it between them and Congress. Is not that the way you ask for a duty?

Mr. HILL. Well, you know that human nature is such that in times of trouble the first man you get to is the laborer; his wages are reduced.

Mr. RANDELL. He is the one they all pick on.

Mr. HILL. Yes; they go out and give the customer the low price, and come home and try to get it out of the laboring man.

Mr. RANDELL. Don't you believe that you would have equally a fair show in the race for life if you were not burdened up with regulations and tariff laws and other restrictions that we now have?

Mr. HILL. Provided we were all angels, yes.

Mr. RANDELL. Supposing we were all simply honest?

Mr. HILL. Well, are we all honest?

Mr. RANDELL. If we are not honest there is so much more reason that every man should have a fair show to protect himself.

Mr. HILL. But we are all selfish, and you can not get around that.

Mr. RANDELL. And that is the reason why we want a protective tariff?

Mr. HILL. A man who is not selfish may try to stand up alone, but he will be knocked down, and the people will pass him by.

Mr. RANDELL. Do you mean to say that a man can not prosper in your leather business without a tariff at all; that he can not prosper if the tariff affecting him were taken off? Would you not have, as you say, a "cinch" in the markets of the world, outside of Canada?

Mr. HILL. We might think that now, but actual experience would prove it.

Mr. RANDELL. Are you receding from your former statement, then?

Mr. HILL. Not necessarily.

Mr. RANDELL. Then you stand by it?

Mr. HILL. What was it?

Mr. GRIGGS. I heard you say, Mr. Hill, in answer to a question by Mr. Randell, that you had not been making any money for years. Is that true?

Mr. HILL. We have not made ordinary profit since we have been in business.

Mr. GRIGGS. What do you call "ordinary profit?"

Mr. HILL. About the same return that we could get upon our money in a savings bank, and get interest on it.

Mr. GRIGGS. And yet on your export hides you sell at 15 per cent below?

Mr. HILL. If we did not sell them we would not get the business; if we did not make that reduction we could not get the business.

Mr. GRIGGS. What do you want with the business if you lose money on it?

Mr. HILL. Because we accumulate some parts of the hides that we want to sell outside of the country, and it is the only place we can sell them.

Mr. GRIGGS. That is, you are too patriotic to put them on your own citizens?

Mr. HILL. They will not buy them.

Mr. GRIGGS. They will not have them?

Mr. HILL. No, sir.

Mr. CLARK. Do you know, of your own knowledge, that wages are lower in Canada than in the United States?

Mr. HILL. Yes, sir.

Mr. CLARK. You know that, do you?

Mr. HILL. I know per man that they are lower.

Mr. CLARK. It was testified here in the lumber schedule that labor in Canada is as high as it is in the United States. What would make the difference in the cost of labor between the leather business and the lumoer business?

Mr. HILL. A man who is a lumberman is not necessarily a tanner.

Mr. CLARK. I understand he is not necessarily a tanner; but the wages would be paid to the man in about the same way?

Mr. HILL. Not necessarily; no, sir.

Mr. GRIGGS. You said it was all common labor.

Mr. HILL. I know that common labor in the lumber camps in this country or any other country receives more money than almost any other place.

Mr. CLARK. It was proved here that they receive as much in Canada.

Mr. CALDERHEAD. It was proved here that they received as much in British Columbia.

Mr. CLARK. Well, Canada is part of it.

Mr. CALDERHEAD. But British Columbia is a long distance from Ontario.

Mr. CLARK. Well, I knew that.

Mr. CALDERHEAD. And the wages are different.

Mr. CLARK. I understood you to say that there were no labor unions in Canada.

Mr. HILL. I did not say that. In the tanning business I do not believe there are.

Mr. CLARK. Don't you know?

Mr. HILL. There are other tanners making leather in Canada. There are tanners making the same kind of leather that we make, and those are the only ones that I am acquainted with.

Mr. CLARK. And you know that there are no labor unions in that?

Mr. HILL. Yes; we have men in our employ who come from Canada, and they are nonunion men.

Mr. CLARK. And that is all you know about it?

Mr. HILL. That is as far as my knowledge goes.

Mr. CLARK. You have nonunion men working in your factories?

Mr. HILL. We haven't any union in our factory.

Mr. CLARK. Then the labor unions do not put up the cost; you are not influenced by labor unions?

Mr. HILL. But we pay the same as they pay labor unions.

Mr. CLARK. If that is so, why not have labor unions?

Mr. HILL. Don't want them.

Mr. CLARK. Well, it costs you the same to get the other.

Mr. HILL. That fact that we haven't any labor union makes the labor union stronger in the tanneries where they are.

Mr. CLARK. All you know about whether there are labor unions in Canada or not is what you get from the men who are working for you who are not in the labor union?

Mr. HILL. I have never heard of any in Canada.

Mr. CLARK. And what you know about wages in Canada is mere hearsay?

Mr. HILL. These men are receiving more by working for us than they received in Canada.

Mr. CLARK. How do you know that?

Mr. HILL. I have their own statements for it.

Mr. CLARK. And that is hearsay, too.

JOHN H. HANAN, NEW YORK CITY, REPRESENTING THE NATIONAL BOOT AND SHOE MANUFACTURERS' ASSOCIATION, ASKS FOR FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. HANAN. Mr. Chairman and gentlemen of the Ways and Means Committee, I have been asked to represent the National Boot and Shoe Manufacturers' Association, as well as the National Shoe Wholesalers' Association, with a membership that spreads from the Canadian border to the Gulf and from the Atlantic to the Pacific. It was my intention to have read my brief, but realizing that the time of you gentlemen is very valuable, and further realizing that you are seeking, I believe, information with regard to the cost of shoemaking, I desire as quickly as possible to contribute my share toward expediting this hearing as much as possible. Therefore I shall only read the preamble of my brief. [Reads:]

Prompted by interviews that have appeared in the press intending to impugn the good faith of your committee, I want to say for the National Boot and Shoe Manufacturers' Association and my colleagues here, representing the tanning interests of the country and the hide and leather interests, that we believe your committee has acted in good faith by giving timely notice to the commercial interests of this country through its secretary and the press; that it is acting and that it will, with the aids which its industry and its intelligence will bring to bear, prove its good faith by a proper bill safeguarding the interests of the American producer, manufacturer, and consumer in accordance with the will of the people.

BRIEF FILED BY JOHN H. HANAN, NEW YORK CITY, REPRESENTING AMERICAN SHOE MANUFACTURERS.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.:

Mr. Chairman and gentlemen, we stand here as representatives of the National Boot and Shoe Manufacturers' Association and the National Shoe Wholesalers' Association of the United States. The value of our output annually is over \$400,000,000 and an annual wage distribution of over \$100,000,000. For the tanning industry, we have seen, a serious handicap will be removed that is certainly exercising a repressing influence upon its growth and development.

This tariff has no justification as a tariff for revenue. The net income of the Government after deducting the cost of collection and the disbursements of rebates realizes annually less than \$2,000,000.

As a tariff for protection, the industry has yet to be born that can prove its title clear to being protected by it.

Its effect upon the shoe-manufacturing industry is substantially an embargo.

The nature of the shoe-manufacturing business is such that a uniform scale of prices has been maintained for years, and shoes have been manufactured to retail at \$2, \$2.50, \$3, \$3.50, \$4, and so on. These prices are staple and are firm, fixed, and unchangeable.

The prices I have mentioned represent the grades consumed by the wage-earning and agricultural classes, forming, as I believe, conservative estimating, 80 per cent of the consumers of the United States.

At the high prices of leather the quality of the shoe must suffer, and while the consumer continues to buy \$2, \$2.50, \$3, \$3.50 and \$4 shoes, he must necessarily get a poorer shoe for the money, and besides paying the penalty of the tariff on hides he has to make the additional outlay for cost of repairs made necessary by the poor wearing quality of the soles.

As a consequence, this tariff is a burden falling most heavily upon the agricultural and working classes. Remove it, and if any benefits accrue they will be first felt by those classes in receiving a better grade of shoe at the same price, and possibly a better shoe than they are now obtaining for a less price.

There is only one other aspect of the case that I wish to present to you.

The shoe manufacturing capacity of the United States needs a wider market. Now, very many large factories can not run full time more than from eight to ten months a year. The industry is rapidly presenting in the exploitation of its products the keenest of competition. In order to maintain a profitable condition it will soon be necessary for the American shoe manufacturer more generally to seek foreign markets.

There is no industry that is so well equipped as the shoe industry to conquer foreign markets. In quality, style, and in fit the American shoe has no superior in the world, but owing to the increased cost of the labor and materials that enter into construction, plus the foreign duty to be paid, its foreign market is very limited, and it can only be purchased abroad by the better class.

Of course if we concede the right of our Government to place a tariff wall around its industries, we must make the same concession to foreign governments to protect their industries.

Of the difficulties besetting the progress of the American shoe in the foreign market I will simply give you an illustration of an experience in France. The domestic shoe production of France represents a total value of about \$140,000,000. The importation shows a total value nominally of \$1,410,000 (1906). The shoe importations from all countries to France amount to 1 per cent of the home production. Of the importation in France, the American shoe represents one-seventh of 1 per cent, while the English shoe represents about four-sevenths of 1 per cent. In other words, the total export to France from the United States in the matter of shoes amounts to about one-seventh of 1 per cent of the total shoe product of France.

The American shoe has such a reputation abroad, although its high price limits its sale only to better classes, that it is a startling factor, a sort of a bogie, to the foreign shoe manufacturer. While the English manufacturer exports four times the amount exported by the American shoe manufacturer into France, the English shoe is admitted under a minimum rate, while the American shoe is handicapped by a maximum tariff rate, with all signs pointing to a greater increase in the near future. I have called attention to this fact simply for the purpose of evidencing the disadvantages working against the progress of the American shoe product in the foreign market. There is no question but that our industry requires some relief if its market is to be extended. Some relief will be had if the tariff on hides is removed, in so far, as we believe, that to that extent we will lessen the original cost to meet the burden of the foreign import tax upon the American shoe. We have seen that the Government profits little by its duty on hides. We believe there is no industry that is benefited by its maintenance. We have observed that the burden of the tariff on hides falls heavily upon the wage-earning and agricultural classes. Remove that tariff, give us free hides, and the American shoe will be improved in quality or lowered in price to the American consumer, placed within the reach of a larger body of consumers abroad, and a great benefit will be bestowed upon a very much larger percentage of the population of this country by a substantial addition to our annual wage distribution.

In presenting for the consideration of the Ways and Means Committee of the House of Representatives the views of the Boot and Shoe Manufacturers of the United States relative to the tariff on hides, it will not, at this time, be either inopportune nor less pertinent to present the views upon this subject which were offered under the auspices of our association by its representatives and representatives of the New England Shoe and Leather Association and of the New York Hide and Leather Association to President Roosevelt, November 15, 1905, with a view to securing a recommendation of the President to Congress upon the subject in his annual message.

On that occasion Gov. William L. Douglas, of Massachusetts, said:

We appear before you as representatives of the National Boot and Shoe Manufacturers' Association and kindred trades. We speak for a manufacturing industry which, by our last census, ranked ninth in importance as to number of wage-earners and wages paid, and eleventh as to the value of gross products.

This great industry, producing an absolute essential to civilized life, is greatly oppressed and burdened by what we believe to be a needless tariff duty on hides. We are firmly convinced that this duty not only handicaps our industry and prevents its proper growth and expansion, both domestic and foreign, but that it is an evil to the country as a whole. Without, as we believe, serving any good purpose, this tariff duty heavily taxes articles essential for the health and comfort of every man, woman, and child in this land, and thus greatly increases the cost of living. This tax bears most heavily upon laboring people who spend almost as much for shoes, per capita, as do our professional people.

Moreover, the cost of the leather in the cheap, heavy shoes worn by the great mass of the people is proportionately greater than it is in the expensive and highly finished shoes.

Thus, while we are pleading for the consideration of the interests of those engaged in manufacturing and repairing boots and shoes, and all others engaged in manufacturing harness, bags, belts, etc., we are also pleading for the consideration of the welfare of 80,000,000 people who wear shoes.

About 240,000,000 pairs of shoes are made annually in this country. The difference in the prices of sole leather between this country and Canada, where there is no duty on hides, varies from 3 to 5 cents per pound, which equals from about 4 to 7 cents per pair on the average factory cost of our shoes. And in this connection, Mr. President, I wish to make quite clear to you that while 7 cents additional cost on a pair of shoes may seem an unimportant matter to the ordinary person, that amount represents more than the profit made by the average manufacturer. So you can understand that we are pleading for the very existence of our industry.

Previous to 1842 hides and skins were admitted free of duty. From 1842 to 1872 they were dutiable at from 4 to 10 per cent. From 1872 to 1897 they were free of duty. In 1897, after twenty-five years of free hides, a duty of 15 per cent was put on cattle hides, other hides and skins being left on the free list. This 15 per cent duty, 50 per cent higher even than the war duty levied from 1861 to 1872, was put on despite the protest of the boot and shoe manufacturers.

In July, 1897, hides were but 9 cents per pound. After this date they began to increase rapidly, and have continued to advance until on November 1, 1905, the price was 15½ cents per pound. There is good reason for believing that the 15 per cent duty on hides is of no particular benefit either to large or small cattle raisers, and we understand that the hide duty was levied primarily for the benefit of the cattle raiser. In this country cattle are raised and slaughtered principally for beef. Hides are an incidental product of the butchering business. It is absurd to suppose that putting a tariff on the by-products of the beef industry will materially change the prices paid for cattle. These fluctuate or would fluctuate if there were no combinations to interfere with economic laws, in accordance with the supply of and demand for cattle for beef purposes.

That there is little or no connection between the prices of steers and of their hides is shown clearly by statistics for the last ten years, which are herewith appended. Thus, while the prices of hides are now 15½ cents per pound, and were but 9 cents in July, 1897, the prices of steers have averaged, except for the year 1902, but little (perhaps 15 per cent) higher than before. The exceptionally high prices of 1902 were due to the very small crop of corn of 1901. During the last three years the prices of cattle have declined materially, while the prices of hides have risen. Thus, while prices of cattle are now lower than in October, 1904, prices of hides are now more than 40 per cent higher than then. We may, then, be reasonably certain that the duty of 15 per cent on hides does not protect or benefit the cattle raisers. It does, however, compel all farmers to pay higher prices for boots, shoes, harness, saddles, and other leather goods.

It is essential that we import large quantities of foreign hides. Our imports for the fiscal year ending June 30, 1905, were valued at \$14,949,628. We do not produce enough to make our own boots and shoes. About 25 per cent of all leather made in this country is made from imported hides and skins. Could these come in free of duty, and should leather decline here to the level of foreign markets, we could not only make cheaper shoes for ourselves, but we could increase our export business many fold. For, strange to say, we now export more than \$8,000,000 worth of shoes a year, handicapped as we are by what we contend is an onerous, unnecessary, and unjust duty.

That there may be no doubt as to the effect on taxed hides upon the price of leather, I have here a letter from the Anglo-Canadian Leather Company (Lim-

ited), large tanners and dealers in hides and leather. It is dated November 11, 1905. It quotes the price of Central American hides leather at 21 cents, seconds at 19 cents per pound; discount for cash, 5 per cent. The prices for these and for corresponding leathers in Boston on the same day were for heavy and middle weights from 23½ cents to 24 cents, and for seconds 21 cents per pound. This difference of from 2½ to 3 cents per pound is explained by the duty of 15 per cent on hides. As 100 pounds of green hides makes but 70 pounds of finished sole leather, the duty of 15 per cent on green hides at 14 cents per pound makes a difference of 3 cents per pound on the leather. This is an actual difference in prices of leather in American and Canadian markets.

The duty on hides permits a charge of 15 per cent more for hides here than in foreign markets.

Hides are simply and solely a by-product. Cattle are slaughtered for beef, and their prices are fixed, not according to the prices of hides, but almost exclusively for beef purposes.

In the boot and shoe industry we pay the highest wages paid on earth; but we have the cheapest labor, when efficiency and product are considered. Neither we manufacturers nor our employees are protected to any considerable extent by the duty of 25 per cent on boots and shoes. We will consent to a reasonable reduction of this willingly in order to obtain free hides and cheaper leather. All we ask is a free field and no favor, either in our own or in foreign markets. Take away the duties that prevent us from obtaining leather at the same prices paid by our foreign competitors and we will not only hold our own markets, with or without a duty on shoes, but we will invade foreign markets at good wages to our boot and shoe workers.

While the duty on hides bears heavily upon our industry in every part of the country, it bears most heavily upon the New England end of it. Now that Germany, Canada, and Mexico are discriminating against our shoes, and are levying or threatening to levy much higher duties upon them, it will be even more difficult for us to hold our share of this industry, handicapped as we are. With free hides and with access to foreign markets we would be in no danger. Not only could we manufacture shoes more cheaply for our people, but we would greatly increase our exports to foreign countries.

The margin of profit for most manufacturers of shoes is only 4 or 5 cents per pair. Of course these manufacturers have either had to advance the price of shoes or to use cheaper materials. As yet, however, advances have been but slight in comparison with the increased cost of materials. Unless the cost of materials can be reduced shoes must soon sell at higher prices.

We see no prospect for cheaper materials and no hope for cheaper shoes for the people except through the removal of the tariff duty on shoes. On behalf of the manufacturers, makers, and wearers of shoes we ask you to consider most earnestly the facts which we present. We hope that you will agree with us and that you will recommend that Congress remove this burdensome duty.

Comparisons of cattle, hide, and leather prices.

[Statistics referred to in Governor Douglas's address.]

Year.	Top prices native steers on hoof, Chicago.	Heavy native steer hides, Chicago.	Sole Leather Union No. 1 Mid.
1896.	<i>Per 100 lbs.</i>	<i>Per lb.</i>	<i>Per lb.</i>
January.....		\$0.08	\$0.27
April.....		.06½	.26
July.....		.08½	.26
October.....		.06	.25
1897.			
January.....		.08½	.30
April 3.....	\$5.40	.09	.29
July 3.....	5.15	.09	.26
October 2.....	5.50	.10½	.30
1898.			
January 1.....	5.40	.11	.30
April 2.....	5.50	.11½	.29
July 2.....	5.35	.12½	.29
October 1.....	5.85	.11½	.29

Comparisons of cattle, hide, and leather prices—Continued.

Year.	Top prices native steers on hoof, Chi- cago.	Heavy na- tive steer hides, Chi- cago.	Sole Leather Union No. 1 Mid.
	Per 100 lbs.	Per lb.	Per lb.
1899.			
January 7.....	\$5.95	\$0.11 $\frac{1}{2}$	\$0.28
April 1.....	5.80	.11 $\frac{1}{2}$	.32
July 1.....	5.75	.12	.33
October 7.....	7.00	.13 $\frac{1}{2}$	.36
1900.			
January 6.....	7.25	.13 $\frac{1}{2}$	.36
April 7.....	5.80	.13 $\frac{1}{2}$	.35
July 7.....	5.70	.11	.33
October 6.....	6.00	.11 $\frac{1}{2}$	.30
1901.			
January 5.....	5.50	.12	.32
April 6.....	6.25	.10 $\frac{1}{2}$	.33
July 6.....	6.40	.12 $\frac{1}{2}$	.32
October 5.....	6.85	.13	.34
1902.			
January 4.....	7.75	.14	.35
April 5.....	7.50	.12 $\frac{1}{2}$	.34
July 5.....	8.50	.13	.35
October 4.....	8.30	.14 $\frac{1}{2}$	.35
1903.			
January 3.....	6.65	.13 $\frac{1}{2}$	.35
April 4.....	5.60	.11 $\frac{1}{2}$	.34
July 4.....	5.60	.12	.34
October 3.....	6.00	.12	.33
1904.			
January 2.....	6.65	.11 $\frac{1}{2}$	.32
April 2.....	5.80	.10 $\frac{1}{2}$	.32
July 2.....	6.65	.11 $\frac{1}{2}$	.31
October 1.....	5.55	.10 $\frac{1}{2}$	.32
1905.			
January 7.....	6.00	.13 $\frac{1}{2}$	.35
April 1.....	6.35	.13 $\frac{1}{2}$	.35
July 1.....	6.25	.....	.....
August 5.....	5.95	.15 $\frac{1}{2}$	.36
September 23.....	6.40	.....	.....
November 1.....	.....	.15 $\frac{1}{2}$	.36

The above prices of cattle are taken from monthly summaries of United States Department of Commerce and Labor, and are taken for the specific dates mentioned. The prices of leather and hides are taken from a table of "Comparative prices of leather and hides for ten years," published in the Shoe and Leather Reporter of August 10, 1905, and later numbers.

Mr. Jackson Johnson, of Johnson, Roberts & Rand Shoe Company, of St. Louis, Mo., spoke as follows:

A "tariff on hides" is a purely economic proposition. It is inconsistent with the principles of protection. Conceding all that may be said in favor of a protective tariff, we all realize that it should not be imposed indiscriminately, but that the article or subject of the duty must be considered.

The basic principle of the protective tariff is to foster and promote domestic enterprises and industries by placing a premium upon such foreign goods as may be substituted for our own. The production of hides is not an industry, nor is there a substitute for them. Cattle raising is an industry to-day, but not for the production of hides. It is a profitable industry for producing beef. The production of hides is only an incident to it, and it is fair to say that if hides were the only product of cattle raising, that industry would not flourish as it does to-day. It must be apparent then that the imposition of a duty upon foreign hides can not of itself stimulate the production of domestic hides.

Of course there is no substitute for hides. They are imported to-day, and would be imported if they were on the free list, not for the purpose of supplanting domestic hides, but because the supply of domestic hides is insufficient. The importation of hides is a necessity, as the making of heavy shoes is a necessity, and for other purposes. It is not the case of substituting a foreign

for a domestic article. It is simply filling out the domestic market in an article which is not produced independently, but only a by-product of a great industry, and the production of which, in its very nature, can not be fostered or protected by this or any other tariff.

It has been demonstrated that the price of beef cattle is not influenced by the price of hides, as within the past three years we have seen a decline of 25 per cent in the price of cattle and an advance of 33½ per cent in the price of hides. In this same period of time, sheep (the skins of which are not dutiable) have advanced in price, hence we must assume that the duty on hides does not benefit the cattle raiser.

Now, what is the effect of this duty upon trade conditions? It is a well-known fact that the very existence of a tariff tends to furnish a screen behind which those who control a given product may manipulate the market. In the case of hides and leather, the tariff has resulted in market fluctuations which are artificial and unrelated to the laws of supply and demand, because the production of hides, as I have already stated, has no relation to the tariff upon hides.

It is a singular fact that the greatest producer of hides is also the greatest consumer of leather. The farmer produces the hides and at the same time leads all other classes in consuming all the articles into which hides are converted.

If we assume that the tariff advances the price of his cattle, he is still not benefited, for the increased price which he pays for his shoes, harness, etc., far exceeds the imaginary advanced price received for his cattle. The farmer receives the increase in price only once, whereas each intermediate dealer, simply because the duty exists, adds somewhat to the price of the article handled, so that when the finished product has reached the consumer the increase in price far exceeds the increase received for the raw product.

The manufacturer's profit upon staple shoes, such as are worn by farmers and wage-earners, is about 5 per cent, and it is confidently asserted that the tariff rate is not simply shifted to the farmer, but that in the process of shifting the rate is greatly increased.

The manufacturer of all kinds of heavy leather goods is the chief sufferer. Under our present tariff 30 per cent of the duty upon imported hides is returned in the way of drawbacks.

It is possible and a common practice for a foreign manufacturer to bring his hides to this country, have them tanned here, collect his drawbacks, and return the leather to his own foreign country for less than our own manufacturer can buy the same leather here. The result is that the foreign manufacturer of shoes and leather goods takes advantage of certain of our industrial facilities to prepare his hides for his factory and then deprives us of a market for the finished product in shoes, harness, etc., which should be ours.

In other words, the tariff upon hides not only places a heavy and unjust burden upon our consumers without an adequate return, but it restricts the market for our goods, retards the introduction of our finished products in shoes and heavy leather goods into foreign markets, and so far discourages the skilled workmen in these trades.

If hides were on the free list, the cost of heavy shoes worn by farmers and wage-earners would be greatly decreased and our exportation of such products would be greatly increased. With our great resources for tanning and finishing hides we could place our products into the new markets cheaper than any other country in the world.

If this tariff were abolished it would not be possible for foreign hides to be furnished here only to be returned and manufactured into shoes, harness, etc., in foreign factories.

If there were no duty on hides, this same product could be finished in our own factories, our skilled workmen would have a greater opportunity, and the product could be placed upon the foreign markets. As it is, the tariff upon hides furnishes only a small revenue and no protection, while it has become a positive advantage to the foreign manufacturer to the detriment of the domestic producer, manufacturer, workman, and consumer.

The situation is a serious one, affecting possibly a greater per cent of our people than any other question of recent years, and it demands some action proportionate to its importance. Excepting an increase in the price of foodstuffs, there is no question more vital to the people generally than the cost of shoes and other products of hides. Whatever may have been the causes which called for the imposition of this duty, conditions to-day do not justify its continuance, and it is earnestly hoped that some action will be taken to secure immediate relief from its unfortunate consequences.

Mr. Charles P. Ford, of C. P. Ford & Co., of Rochester, N. Y., spoke as follows:

I am here as a representative of the shoe manufacturers of Rochester, N. Y., the third largest city of the Empire State in population. Shoe manufacturing was established there more than fifty years ago, and its growth and prominence among industrial establishments has been one of the chief factors in building the city, and contributed largely to the prosperity and welfare of western New York.

Our people in Rochester that are employed in shoe factories start in as boys and girls and as they grow up in that trade their lives are rounded out as skilled artisans, so that to them, to us, and, in fact, to all western New York, the subject of free hides and larger markets is of the greatest importance.

When Congress placed this duty on hides it added to the cost of shoes, which added cost both the manufacturers and consumers have to stand, and by all concerned this is considered unjust and an unreasonable tax to be borne by the many for the benefit of the few.

In what I have further to say I desire to call attention to the almost universal demand for reciprocity from manufacturers who are exporters. Unless Congress takes some immediate action to relieve the situation, further exportation of many of our manufactured goods will be greatly curtailed. In December, 1901, a convention of boards of trade was held in Washington in the interests of reciprocity. At that convention every State and Territory was represented by men prominent and well known for their ability in connection with manufacturing and other industries, which have so developed the wonderful resources of this country and contributed so much to the employment and welfare of our people. The result of their deliberations was in the unanimous adoption of resolutions appealing to the President and Congress for reciprocity. We do not have the favored-nation clause in our treaty with France, and consequently shoes of American make have never been able to compete with favored nations, and the excessive duty imposed on American-made goods has practically kept them out of France. We now have Germany adopting tariff laws against us, which are to take effect March 1, 1906, and if our Government does not provide a remedy in time a large share of our trade will be cut off with that country.

The business which I have the honor to represent has a large and growing interest in the export trade with all nations. Wherever there is a civilized nation around the world there is already a greater or less demand for American-made shoes. We are compelled by competition, made more intense by overproduction in the home market, to seek the markets of the world, and our only competitor in other countries is cheaper labor, but the excellence of our manufactured product overcomes the labor proposition.

We believe that the Dingley bill should be so amended by enlarging the powers of the President in that section thereof known as section 4, by which he is vested with certain discretion with the approval of the Senate. This discretion should be unrestricted, so that such crises as confronts our industry in Germany may be promptly met and overcome without detriment to the manufacturer, to his employees, and to the country.

Mr. A. Augustus Healey, representing the Hide and Leather Association of New York, said:

I appear, with my associates here present, on behalf of the Hide and Leather Association of New York City, an association composed of more than 100 firms, having an aggregate capital of more than \$200,000,000, engaged in the business of tanning and dealing in hides and leather.

We join our brethren of the shoe manufacturers in the desire for the removal of the duty on hides. As you will remember, for twenty-five years prior to 1897 hides were free of duty. During that time there was a very large development not only of the business of tanning and shoe manufacturing, but also of the business of raising cattle as well. The removal of the duty on hides therefore certainly would not impede the growth of the cattle-raising industry in the United States. A duty on hides was inserted in the original draft of the McKinley tariff bill of 1890. After a hearing on the subject, this duty was withdrawn from the bill, and Mr. McKinley, after carefully considering the question, expressed the opinion repeatedly that a duty on hides would be unwise.

We tanners of leather, as buyers of hides, feel, in the first instance, the bad effects of the duty on them. Burdensome as this has been during all the years

of its imposition, it is felt now in an especially acute form. There is a great scarcity of hides all over the world. The markets of this country, of Europe, and of South America are empty and prices have largely advanced. We require for use in this country from 25 to 50 per cent more hides than are raised in the United States. Obligated as we are to go abroad for these additional supplies, and with the markets of the world in their present empty condition, the duty on hides is peculiarly injurious at the present time, and has necessitated a material advance in the cost of leather and the cost of shoes. Relief from this duty is therefore now a most urgent necessity.

Mr. George E. Keith, of Geo. E. Keith Company, Campbello, Mass., said:

We wish to call your attention to the possibility of an increased tariff on American shoes exported to Germany.

The present tariff, with its conditions, is satisfactory to all Americans who have invested capital in the shoe business in that country, as well as the purchasers of American footwear. We ask, as manufacturers, that the minimum rate, which has already been granted to Austria, Russia, Switzerland, and Italy, be secured for American shoes. Under this minimum tariff it would mean about 25 cents a pair, a very small increase from the present rate. If we have to pay the maximum rate, it would mean a tax of from 50 to 60 cents a pair, and coupled with this a condition that the actual tax could not be determined until the weight of each pair of shoes was known. The increased tax and the conditions attending it would be a fatal blow to the exporting of American shoes, a business that has been created within the last ten years, and which gives promise of a steady increase if the present duty can be maintained.

Charles H. Jones, of the Commonwealth Shoe and Leather Company, Boston, said:

I shall endeavor in the few moments allotted to me to give you a view on this subject which you will not be apt to get elsewhere, and which may be of value to you in coming to a just decision in regard to the merits of our request.

I shall try to show first how the increased cost of sole leather through the operation of duty on hides works to the disadvantage of every shoe manufacturer, and is also laden with disastrous consequences to the wearers of the poorer class of shoes. Before proceeding directly to this subject I must take occasion to explain that the business of shoe manufacturing is not one in which any combination or trusts have existed or are likely, in the nature of things, to exist. Competition is absolutely unrestricted, and as the production of the shoe factories now in operation in this country is sufficient to supply in seven months all the goods that can be worn in a year, the competition is naturally intense.

I also wish to say that we come before you a united trade. There are, I believe, absolutely no different opinions among the members of the shoe and leather allied trades in regard to the repeal of this tax. There has been a disposition in some quarters to belittle the importance of this duty of 15 per cent on hides, which are merely a by-product of the great beef industry, and to consider it a matter which could be of no great consequence to an industry such as we represent. I shall try to show you that this opinion is a mistaken one, and I will claim that the average profit to the manufacturer on all the shoes made in this country can not be in excess of 4 or 5 cents per pair. Under these circumstances it is evident that any factor which tends toward increase in the cost of the shoes we produce is an important element in the success of the business. We can perhaps best explain the exact manner in which the increased cost of leather caused by the tariff makes itself felt by taking a single shoe for a direct example. Let us consider for a moment an ordinary McKay sewed men's shoe retailed throughout the country at \$2 per pair. At the time of the imposition of the duty on hides we will say that the cost of the sole leather used in making this shoe was 20 cents per pound. The increase in the cost of this leather to the manufacturer by the operation of the duty would be between 2 and 3 cents per pound, and as it takes in a general way 2 pounds of leather to produce a pair of shoes it is obvious that the increase in the cost of the sole leather used in this shoe would be from 4 to 6 cents per pair. This equals the full amount of profit earned by the manufacturer for the production of the shoe, and can not therefore be borne by him, but must be passed on in some manner to the consumer.

It is a custom of this trade, thoroughly established by long years of custom and usage, to sell shoes only at fixed prices. One dollar and fifty cents, \$2, \$2.50, \$3, \$3.50, \$4, and \$5 are the universal prices for men's goods. In case any commodity entering into the manufacture of these shoes increases in cost the price of the shoe is not changed to correspond with this advance—that is, if the leather used in the \$2 shoe increases in cost for any reason 5 cents per pair, the retail price of the shoe is not changed to \$2.05, as would seem proper and natural, but the price is continued at \$2, and the 5 cents advance is withdrawn from the value of the material used in its construction, or the amount is absorbed by the manufacturer or dealer and their profit correspondingly reduced. I do not claim that this is the best method of handling fluctuations in price, and it is a method that as manufacturers we have often desired to change, but it exists in consequence of the habits and desires of the consumer as represented to us by the retail dealer, and is, they claim, as changeless as the laws of the Medes and Persians.

Under these conditions let us see what the effect of the tariff on hides has on the value of the shoes worn by the classes of our people who have the least money to spend for shoes. Let us continue the example of the \$2 shoe just mentioned. A fair allowance for the outsole of this shoe would be 22 cents per pair. With leather at 30 cents per pound, 33 cents will provide an outsole of good quality and medium weight, that will give the wearer of the shoe reasonable service, and the shoe will prove in wear to have been worth the price paid. But if the sole leather advances in price from 20 cents per pound to 22 cents per pound, the increase in the cost of this outer sole, holding all the other parts of the sole leather at the established price, as is ordinary in figuring costs, would be at least 4 cents, making its new value 26 cents. Now, the manufacturer plainly can not use a 26-cent outsole on his \$2 shoe, and so he obtains, by cutting the poorer and coarser part of the leather, the best sole he can at the original price of 22 cents. The difference between a 22-cent outsole and a 26-cent outsole may not seem like a great matter, but it represents, in this case, the difference between a good and suitable sole and one that is practically worthless. When conditions compel the use of the cheaper sole, the wearer finds in a very short time that the bottom of his shoe is worn through and no longer serviceable. If he is a careful, thrifty man, he has it immediately half-soled, at a cost of at least 50 cents, which seems to him a loss of 25 per cent of the value of the shoes. If he is a careless or thoughtless man, he continues to wear the shoe until it becomes of no possible use, and then throws it away, not having enjoyed over half the legitimate life of the shoe, and makes a loss of 50 per cent on his original expenditure.

To the men who buy and wear the highest grades of shoes, made in the upper from calf or kid, the increased cost of their footwear is measured by the actual additional cost of the sole leather which, as I here indicated is from 4 to 6 cents per pair. To the mechanic or farmer who wears a heavy, strong shoe of the best grade, made in the upper of some of the many finishes of cow hide, the tariff will increase the cost of the upper by from 6 to 9 cents per pair, which, added to the additional cost of the sole, makes a direct tax on him of from 10 to 15 cents per pair. But when we come to the consumer of small means, who is obliged to buy the cheaper grades and second qualities, and even in these prosperous times this class is in a mighty majority, we find, as I have shown by the example of the \$2 shoes that the tax is a very serious burden, and one which falls on those least able to bear it. This inevitable reduction in quality, which takes place whenever stock is increased in price above the normal, has become well nigh a chronic condition since the duty on hides was imposed. We had a slight relief a few years ago, I believe in 1903, but we are to-day suffering a most serious and desperate relapse. That different manufacturers and dealers will, by various expedients, try to avoid the unpleasant consequences of high-priced leather which I have pointed out is doubtless true; that they can succeed to any appreciable extent is impossible.

The best evidence of the extent and persistent quality of this custom is shown by the market price of the different classes of bottom stock, which are sold in immense quantities, all cut and selected into different grades, and also by the prices of shoulders, bellies, heads, and other classes of offal. Whenever the price of sole leather advances, the price of the cheaper grades of soles and the price of offal increase much more than the whole stock, while the price of the best grades of cut soles will advance less than the whole stock. When the advance in the price of leather is extreme, as is the condition to-day, the

prices of the poorer qualities become almost prohibitive, and the market supply of the offal from which the poorer grades are obtained is frequently exhausted.

To show that the conditions I have described are not exaggerated, I will tell of a little incident which occurred very recently, and which illustrates clearly a condition which prevails in regard to cheap shoes. A neighbor of mine, a teamster, with a large family of children, came to me one morning holding in his hand a pair of boy's shoes, on which the soles had been entirely worn through in (he said) two weeks. He said he knew I was in the shoe business, and thought I would tell him why all his family's shoes wore out so quickly. I examined the pair and found the uppers in good condition, but the insoles shoddy, and the outer soles soft, coarse, and spongy. I told him that leather was high just now, and it would be economy for him to buy the better grades of shoes. "But I can't afford to," he replied. "I pay just as much as I ever did for shoes, but I have had to buy 22 pairs of shoes in the past ten months, and have more to buy before winter, and I can't pay any more for them."

Now, I claim that the 2 cents per pound added to the cost of sole leather and the 2 cents per foot added to the cost of upper leather by the duty on hides, puts a burden on that man that he ought not to be made to bear.

In concluding, let me suggest one thought in relation to the cattlemen who claim that they get some benefit from this duty, and want it continued. It was shown, I believe, by the government investigation of the beef trust that when the cattlemen took their stock to the great slaughtering centers to be sold, that by reason of some arrangement or agreement among the packers, they were obliged to sell them at prices which were absolutely uniform, and that they had the benefit of no competition among the purchasers whatever. Does it seem reasonable to suppose that under these conditions, with the control absolutely in their hands, that the packers are voluntarily going to add to the ordinary value of the creature they purchased, the small sum represented by 15 per cent on its hide and present this as a bonus or gratuity to the seller. Is it not perfectly fair to say that the benefit derived by the cattleman from this duty is at best an indirect benefit and of questionable value?

Against this we have to place, on the part of the shoe manufacturer, a very serious impairment of profit, which under normal conditions is necessarily small, an obstacle of almost insurmountable proportions to the retention and development of our foreign trade, and to the poorer classes of our fellow-citizens a very real hardship in the increased cost and inferior quality of one of the prime necessities of life.

I believe all, or, at most, all but one, of the Massachusetts delegation in Congress have expressed themselves clearly in favor of the repeal of this duty, and if on consideration you are convinced of the wisdom of such action at this time and will place the weight of your influence on our side by recommending such legislation in your forthcoming message to the Congress, their cause will be greatly strengthened, and we shall have good ground on which to base the hope and expectation that the task of bringing about this much-desired change will not be too great for their statesmanship to accomplish.

Hon. William B. Rice, of Rice & Hutchins, of Boston, said:

The effect of the hide duty on the export of shoes should not be omitted in this presentation. Our shoe manufacturers are endeavoring to build up a foreign trade. In many cases they have been more or less successful, and last year exported about \$8,000,000 worth of shoes in spite of the handicap of the tariff. Through the drawback duty paid on exported leather its effect to-day is to protect the foreign manufacturer against the American manufacturer. It has been stated here by the leather interest that American-made sole leather is sold in foreign markets 2 or more cents a pound cheaper than it is here. The same is true of upper leather when made from foreign hides. Therefore, when American shoe manufacturers go into any foreign country, they are met by competition from British, German, Austrian, and other foreign manufacturers, who use American leather that costs them 4 to 8 cents a pair less than it costs American manufacturers. Is it not wiser for legislation in this country to assist our manufacturers to take the eighteen or twenty million dollars' worth of leather that is now sent abroad into their own factories and add thereto ten or twelve million dollars' worth of American labor, and instead of the \$18,000,000 worth of leather export an added \$30,000,000 worth of shoes?

Whereupon President John H. Hanan, of the National Boot and Shoe Manufacturers' Association, made the closing address, as follows:

It remains for me, as the official head of the organization whose committee you have heard, to say a word of thanks for the kindness and patience and the honor conferred upon us by giving us your kind attention.

We know well the innumerable demands upon your valuable time, and appreciate that you might have suggested taking our cause direct to Congress, but knowing, as we do, the great respect that all our people and our statesmen hold for your opinion and intentions on all questions of public welfare and the unbounded confidence they have in the wisdom and foresight that has guided you into such great achievements, both at home and abroad, leads us all to believe a careful consideration of the subject in all its bearings will show you that a tariff on hides is entirely unnecessary from an economic standpoint. We know its iniquities are working direct injury alike to producer and consumer; therefore, in the event of your reaching a conclusion favorable to our petition, may we hope you will exercise your sovereign privilege by recommending favorable legislation on this subject in your next message to Congress?

Our industry, which ranks among the foremost industries of the country, the value of whose products approximate \$300,000,000 in value and distributes in wages \$75,000,000 annually among the populations of our cities and villages, will await your decision with deep concern. Blessed, as you have been, with the faculty of doing the right thing at the right time, we can confidently rest our cause in your hands. Our cause is timely, our cause is right.

At the close of President Hanan's remarks, President Roosevelt addressed the delegates as follows:

I thank you for having taken the trouble to come here. I am indeed glad to see you, not only in your personal capacities, but as representatives of one of the great business industries of the country.

Your petition and suggestions, I need hardly say, shall have my most careful consideration. The great interests you represent are exceedingly important. Their welfare is of concern to the whole country. It deserves and will surely receive the painstaking attention of both the President and Congress. It is of course unnecessary to point out that no change in the tariff can be made keeping in view only the interests or desires of one State or one locality. The law must first take tangible shape in the lower House of Congress, and must therefore roughly correspond to the sentiments of the citizens of the several States as expressed through their Representatives therein. Where their interests and therefore the sentiments based on these interests are diverse, as is almost invariably the case in reference to the details of all tariff matters, the law must normally, although not invariably, represent a compromise and mutual concessions, and no one outside of Congress can definitely foretell the exact shape such a compromise will ultimately take.

It is my duty to state that before receiving this committee I had received a letter from the governor-elect of Massachusetts, the Hon. Curtis Guild, jr. In this letter, evidently the first he has written in what may be called the official character with which he is now vested by the suffrages of his fellow-citizens, he urges in the strongest terms an immediate revision of the tariff and especially removing the duty on hides.

The letter from Governor-elect Curtis Guild, jr., of Massachusetts, referred to by President Roosevelt, was as follows:

BOSTON, November 10, 1905.

THE HON. THEODORE ROOSEVELT,
President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: We have had a hard-fought election in Massachusetts, but we have been fortunate enough to turn a hostile plurality of 37,000 into a favorable plurality of over 23,000, and in a single year.

The Republican ticket, in my judgment, would have been overwhelmingly defeated if our platform, on which both Mr. Draper and I stood, had not contained a plan indorsing the position taken last spring by our delegation in Congress favoring immediate tariff revision.

Both parties in this State desire it. We recognize, as Republicans, the magnificent prosperity that has come to us so largely through your own personal work, with a sound basis to our currency, the open-door policy in our foreign trade, and the protection to American labor afforded by the Dingley tariff.

In that tariff, however, there are certain duties that we must all admit are no longer needed. Nothing was said in the campaign here in regard to the iron schedule as a whole. I think you will find, however, that even the iron manufacturers themselves will admit that a duty on iron ore is no longer necessary, and that a reduction on such iron products as we are exporting so heavily could be made without injuring our domestic industry.

Here in Massachusetts the duty on hides is an anathema. It is known that only 23 per cent of the hides and skins that come into the United States are subject to duty, and it seems perfectly illogical that calfskins, sheepskins, and goatskins should come in free as a by-product not needing protection, while a duty is assessed on the skins of full-grown cattle.

I have the honor to inclose a canvass of New England on the subject of free hides. It will show you that the shoe manufacturers of this section are not clamoring merely for tariff revision, but they themselves are willing to submit to a reduction of the duties on boots and shoes if the last remnant of this needless duty can be removed from their material.

There can be no question of the desire of the overwhelming majority of the people of this State for attention to such matters as this in the immediate revision of the tariff. Nor can there be any question of their urgent desire that you should see your way clear to incorporate some suggestion of the kind, which, of course, I should not for a moment presume to dictate, in your message.

I am sure you know, sir, the deep, loving affection of the people of this Commonwealth for you. They trust you, sir, more absolutely than any other man in public life. I am sure you will understand that I have not the slightest intention of forestalling any action of yours, nor is this letter being given to the press, though I have not the slightest objection to your quoting it or using it in any way you may desire. I do deem it, however, my duty, with the trust that has been placed in my hands, to inform you of the real condition of public feeling in this Commonwealth, as your every act shows that no Commonwealth is dearer to you than the Bay State, and that not even her own Representatives are more earnest than you in wishing her welfare. I have the honor to remain,

Very respectfully, your obedient servant,

CURTIS GUILD, JR.

Respectfully submitted,

JOHN H. HANAN,
For American Shoe Manufacturers.

STATEMENT OF CHARLES H. JONES, OF BOSTON, MASS., REPRESENTING THE NEW ENGLAND SHOE AND LEATHER ASSOCIATION RELATIVE TO FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. JONES. Mr. Chairman and gentlemen, before I take up the remarks that I had in mind to make, I want to correct one or two impressions that I think have been created by a lack of understanding by the previous witnesses, of some of the questions which have been asked them. I know Mr. Vogel so well, and have discussed this matter with him so many times, that I know that when he stated to you that he was in doubt about the result to the consumer of taking this tariff off on hides, that he meant this—he was doubtful about the course of the market on hides from natural causes. There is every indication now that hides will continue to advance, and in that case, the consumer might not get an immediate reduction in the price of his shoes if this duty were repealed; but Mr. Vogel, and every other

tanner, and every large manufacturer in this room, knows that the moment the duty is taken off hides, whether the course of the market at that time be up or down, the price of hides will immediately be at least 15 per cent less than it was before it was taken off.

Now, I wish to say, confirming one of the tanners who appeared here, and who stated that this tariff affected every consumer and every family in the land, and which statement was criticised by one of the members of the committee—I wish to repeat that statement, and I hope the gentlemen will ask me any questions they like about it, because that is the important point, so far as the shoe manufacturers are concerned. The shoe manufacturers as a class, as manufacturers and as merchants, can protect themselves against the evil effect of probably any tariff that may be levied. This tariff has introduced many annoying and embarrassing features into the business at times, but if we make the shoes at all, we are going to get at least a small profit; but the consumer is absolutely helpless. He has to pay in a greatly increased amount for every tax that is laid on our raw material.

The CHAIRMAN. What class of shoes do you manufacture?

Mr. JONES. We manufacture men's fine shoes, as they are called in the trade, retailing at from \$3 to \$5 per pair.

Mr. COCKRAN. If the duty were taken off hides, and you had free leather, would there be any necessity for continuing the duty on shoes?

Mr. JONES. At the present time, owing to the slight difference in the labor cost in this country and Europe, there would be some necessity. In 1897 the labor cost on our shoes was lower than it was abroad. It has changed since that time, having increased here and decreased abroad.

Mr. COCKRAN. How much duty would make up the difference in labor cost?

Mr. JONES. Ten per cent would be enough on our goods; 5 per cent perhaps.

Mr. COCKRAN. How much is the duty now?

Mr. JONES. It is 25 per cent.

Mr. COCKRAN. You think we can take off that duty?

Mr. JONES. In the amount stated; yes.

Mr. McCALL. Will you explain the matter of the duty on hides and the price of shoes?

Mr. JONES. I will do so with great pleasure, if I have the time.

Mr. COCKRAN. Go on and do so.

The CHAIRMAN. Let the gentleman proceed in his own way.

Mr. COCKRAN. He is a maker of shoes, and he knows the effects on the industry so far as it affects the prices of shoes and hides.

Mr. JONES. As you are probably aware, there are two classes of shoe material made from hides. They consist of upper leather and the sole leather. It is a necessity to have these two classes. I will take the matter of the upper leather first. This is such stock as is manufactured by Messrs. Vogel and Cobb, who have already appeared here.

The ordinary weight of a hide used in the manufacture of upper leather is 49 to 50 pounds, and the price of this hide at the present time is from 12 to 13 cents. The normal range in prices is from 10 to 12 cents. To avoid unnecessary detail, we will take the cost of

this hide at an average price between 10 and 13 cents, and figured on that basis, we find that the 49-pound hide would make about 43 feet of leather, which will cost, in consequence of the duty, about 2 cents per foot more than if the hides were free. The ordinary workingman's shoe will require at least 3 feet of leather. There is what is known as a split taken off the leather, and in estimating this cost the figures have been taken from actual results, and the cost of the leather has been credited with the amount of split actually produced. In figuring in this way, which is the basis on which the tanner is obliged to make up his cost, we shall find the additional cost of the finished leather would be 2 cents a foot, as stated above, so that the workingman's shoe would be increased, on account of the upper leather, by about 2 cents per foot. With 3 feet of stock it would amount to 6 cents per pair.

Now, as to the sole leather used in such a pair of shoes, we find that this is increased in price in a variable quantity, according to the weight of the hide. The B. A. dry hide is the one from which sole leather of this class is usually made. An average weight of such a hide is 23 pounds. The average price of such a hide is 19 cents per pound. The duty on this hide would amount to $65\frac{1}{2}$ cents per hide. As the hides are split in two down the back, making two sides to each hide, the average duty per side would be $32\frac{3}{4}$ cents. The average weight per side would be about 20 pounds, which would indicate that the average pound of sole leather would cost 1.6 cents more on account of the duty.

I have before me the speech of Mr. Henry T. Bannon, of Ohio, made in the House on May 22, 1906, and he figures the cost at $1\frac{5}{8}$ cents (page 8). His figures are slightly different from mine, but considering the varying weights of leather, our figures are pretty close, and he is approximately correct. As a matter of fact, taking the average leather used, the average difference in cost of the sole leather on account of the duty, is fully $1\frac{5}{8}$ cents per pound.

In the average pair of shoes worn by the workingman or farmer, including the necessary waste, it will take 2 pounds of leather for each pair manufactured. You can see, therefore, that the additional cost of the shoe, as relates to the sole leather, is approximately 4 cents per pair. Add to that the cost of the upper leather which we have found to be at least 6 cents, and the result would show an added cost at the factory, on account of the duty, of from 9 to 10 cents a pair. As a matter of fact, it varies from $8\frac{1}{2}$ to 12 or 13 cents a pair on that class of shoes. Mr. Bannon, reasoning from these premises, later on undertakes to show that such a small difference as is caused by the $1\frac{5}{8}$ cents per pair, would make no difference in the cost of the shoe at retail. As I have shown the actual difference to be 12 or 13 cents, his reasoning is obviously not correct. That difference not only affects the consumer but it affects him in a way and to a degree which you gentlemen, not being in the business, and not having these matters clearly in your mind, can not possibly conceive.

One member of the committee spoke of the Douglas shoe selling at \$3. The Douglas shoe sells at \$3.50.

Mr. BOUTELL. I meant to say \$3.50, because I know that to be the selling price of the Douglas shoe.

Mr. JONES. The Douglas shoe is uniformly sold throughout the world at a fixed price of \$3.50. If leather goes up on the shoe I have

been discussing the \$2 shoe is not sold for \$2.05 nor \$2.10. The added cost is not added to the price of the shoe. The selling price must remain at the figure where it originally stood or it must go up at least 25 cents. I would be glad, if time permitted, to tell you just why that is so.

Mr. COCKRAN. Tell us.

The CHAIRMAN. Let the gentleman finish his answer to the question as to the cost of the finished shoe.

Mr. JONES. I will be glad to answer Mr. Cockran's question if he will be kind enough to propound it later on.

Take as an example the two shoes mentioned. The \$2 shoe manufactured before the tariff went on hides was increased in cost by the increased cost of the leather, and in a few months the added cost was so much that the manufacturer could not continue to sell it at the former price. Originally we sold this shoe to the wholesaler at \$1.35; the wholesaler sold it to the retailer at \$1.60; the retailer sold it at \$2. The added cost of 8, 9, or 10 cents prevented our selling the shoe at the old price, because it increased the cost above the selling price of the shoe. In a year's business we never make an average of over 8 cents on each pair of shoes, and consequently could not continue on the old basis. You will notice that I have said the shoe could not be retailed at \$2.05 or \$2.10. We must ask \$1.45; the jobber must ask \$1.75, and the retailer must charge at least \$2.25, and in many cases \$2.50. That shows how the cost is increased to the consumer by every addition to the cost of our raw material.

Competition compels us to add to our shoe, when the price is changed, something in the way of trimming, or extra finish, or a better lacing to make them fully worth the price charged, so that the manufacturer gets no additional profit; but the shoe as it reaches the consumer in the case I have described has no greater wearing value when he pays \$2.25 and \$2.50 for it than it had when he bought it for \$2. You can see, therefore, that the trifling addition which appeared to Mr. Bannon as a negligible quantity becomes quite an important item to the consumer.

Mr. COCKRAN. Please enlarge upon that a little more.

Mr. JONES. You mean as to the necessity of selling shoes at a fixed price? I have before me some figures on this business, as I have been interested in the subject, and have appeared here in years gone by. It has been told me formerly that it was all right for us to say that the small additional cost of the shoe on account of the tariff would increase the price to the retailer 25 to 50 cents, and it has been stated that the tariff was not responsible for that and that the addition to the retail price to this amount was not necessary or reasonable. The fact that it is impossible to successfully retail shoes at the intermediate prices can be explained in this way. There are five or six shoe dealers in a town, we will say. If one dealer is selling a shoe at \$2 and another attempts to sell it at \$2.10, no man can tell the difference between them. The man who is selling the shoe at the lower price will surely claim that his is the same thing as the other and he will get the trade. A shoe that is sold at \$2 may not be nearly as good as the one sold at \$2.10, but it looks identically the same, and a dealer could not live long enough to explain and convince his customers of this difference. The shoe at \$2.10 may be very much better, but the consumer can never find that out until the shoes

are worn out, and the dealer trying to sell the shoe at the odd price could never maintain a foothold in business long enough to satisfy the customer in regard to the superior quality of his product. It has been found necessary for the dealer to sell shoes at a fixed price, putting into them the best possible quality for the money, so to be on an even basis with his competitors and trust in the quality of his goods to bring the customer back.

Mr. COCKRAN. However slight may be the apparent difference in the cost of an article that difference is always reflected in the cost of the shoe itself, and generally that difference is doubled?

Mr. JONES. Absolutely.

Mr. COCKRAN. So that the duty may even be so slight as to be invisible to the eye, yet to the customer it is always added in the price of the shoe or reflected in the quality of the article.

Mr. JONES. This is true to a greater extent than you would believe. If there be a change in cost of half a cent, 2 cents would be reflected to the consumer in the cost of the article.

Mr. COCKRAN. Certainly; and do you not find that in the article of shoes we are large exporters and that we import very little under existing conditions?

Mr. JONES. That is true.

Mr. COCKRAN. As a matter of fact, is it not true that if you go into a shop in Constantinople or Cairo and ask for shoes you will always see American shoes?

Mr. JONES. I did not know that, but am glad to learn it.

Mr. COCKRAN. The American shoe goes into every place where ready-made shoes are sold.

Mr. JONES. Only in a very limited way.

Mr. COCKRAN. No; I find that the exportation of boots and shoes last year, under existing conditions, were 5,833,914 pairs.

Mr. JONES. Well, in proportion to the number manufactured that is trifling.

Mr. COCKRAN. And our importations were only 164,000 pairs of shoes.

Mr. JONES. There is practically no importations except the finer grades of fancy shoes, which are bought by actresses, and certain kinds of slippers used by the wealthy classes.

Mr. COCKRAN. In view of the fact that we are able to be exporters, even to a limited degree under existing conditions, with duties imposed, don't you think that if we had free raw material and free leather you could get along without any duty?

Mr. JONES. I said in the opening of my remarks that on our goods the labor cost of shoes in this country is slightly more than the labor cost in Europe. That was not the case ten years ago. During the past ten years the labor cost has decreased abroad and increased here, and at the present time is, as I have said, higher in this country.

Mr. COCKRAN. Is the productive capacity of an operator in Lynn, Mass., not greater at the present time than in Northampton, England?

Mr. JONES. That is true to some extent. Ten years ago it was more pronounced than it is at the present time.

Mr. COCKRAN. The American workingman is not maintaining his superiority?

Mr. JONES. Not to the same degree.

Mr. COCKRAN. To come to the really important point of that question, if the American manufacturers are able to export to any great extent under the existing handicap of a duty on hides and raw materials do not you think that if the handicap were removed they would be able to maintain themselves in every market?

Mr. JONES. Personally, I should be glad to see all the duty taken off, but if all the duty were taken off there would sooner or later result a disturbance of business conditions, or else labor would have to produce more for the price paid, because we would import more shoes and less could be made here, but a smaller duty than that now in effect would protect the manufacturer at this time.

Mr. COCKRAN. Surely if we import hardly any shoes now under these onerous conditions it is not likely that under better conditions we will import less?

Mr. JONES. It is less likely.

Mr. COCKRAN. I assume, then, it is your opinion that the giving of free raw material would enable you to take your chances without protection.

Mr. JONES. I am glad to say that I am on record in a statement made several years ago to the effect that I should be glad to see shoes absolutely free if all the leather and other materials were free. The New England Shoe and Leather Association was united in that view at that time.

Mr. COCKRAN. That is really where the strength of your argument lies.

Mr. JONES. I thank you.

Mr. GRIGGS. Do I understand you to say that a slight advance in the cost to the manufacturer always results in a greater advance on the part of the retailer?

Mr. JONES. Yes, sir.

Mr. GRIGGS. That is because the retailer advances his price in round numbers—in quarters and halves.

Mr. JONES. He necessarily goes up to that degree.

Mr. GRIGGS. An additional price to the manufacturer of 10 cents would mean to the retailer that he must sell at 25 to 50 cents more.

Mr. JONES. Yes, sir. There is only one alternative. Among the class of people wearing shoes costing from \$3 to \$5, the retailer will advise a customer, when the market is advancing, to buy a better pair of shoes. The shoe that used to retail at \$3.50 is to-day sold at \$4. The bulk of the shoes sold at \$4 are of the same value as those formerly sold at \$3.50. In this instance the quality has been maintained and the price advanced. The man who suffers the real hardship on account of the increased cost of shoes is the wage-earner who has a family to support on his wages. His compensation does not increase with the rise in the price of commodities. He can not afford to pay the extra 25 or 50 cents, because he has not got the money. In consequence, he is the greater sufferer. The 3 to 10 cents a pair that has been added to the cost of the shoes in the factory, calls on him for a payment of from 25 to 50 cents a pair, and he has not got it. The result is (a retailer will tell you that much the larger part of their trade is in this class) he is obliged to continue buying a shoe at the old price. This means that in order to continue selling the shoe at the former price, when the materials have advanced, it is necessary for the manufacturer to take out of the sole leather of the shoe so

much of its value as to practically destroy the shoe. As great a reduction of cost in the factory as 10 cents, would render necessary a second or third quality outersole, a two-piece or shoddy innersole, and a paper counter, so that when the man who can not afford the advance, but continues buying the \$2 shoe, comes to wear out the shoe which he has purchased at the old price, he finds that he has suffered, not only to the same extent as the man who pays the advance, but practically 50 per cent of the wearing value of the shoe has been taken away. That is where the poor consumer's burden comes in, and there is no good reason why he should be called upon to stand it.

Mr. McCALL. You know the Sorosis Company, of Lynn?

Mr. JONES. Yes, sir; they manufacture fine shoes for ladies.

The CHAIRMAN. I have a telegram from which I will read and let it go into the record.

(Telegram was read as follows:)

[Telegram.]

LYNN, MASS., November 24.

HON. SERENO E. PAYNE,

*Chairman of Ways and Means Committee,
Washington, D. C.*

As probably the largest manufacturers of women's fine shoes in the world, the Sorosis Shoe Company desires to go on record as declaring the present tariff on such shoes as we manufacture wholly unnecessary to our success and a distinct injustice to the consuming public. We favor the complete abolition of this tariff, welcoming the competition of the world. We should be glad, at the convenience of the Ways and Means Committee, to present arguments for the removal of the duty on boots and shoes like those of our own manufacture.

A. E. LITTLE & Co.

The CHAIRMAN (continuing). Are the representatives of the Sorosis shoe here?

Mr. JONES. I think not. I have not seen any of them. I will now proceed upon the line that I was pursuing. We claim that this tariff is not protective in any sense of the word. No one in our country gets a benefit that is at all proportionate to the burden of this tariff. We understand that it is levied and collected because it is supposed to be a benefit to the farmer and the stock raiser. It is exceedingly difficult to make a mathematical demonstration as to whether this is true or untrue. It is impossible to show with certainty that the prices of beef would have been higher or lower during the past twelve years if this duty had not been imposed. There is no positive evidence obtainable on that subject. We believe neither the farmer nor the stock raiser gets more money by reason of it, but we are sure the manufacturers of shoes do not. We all know that the farmer does not breed or feed his stock in order to affect the quality of the hide. The farmer breeds and feeds for the result it will produce in the quality of the dairy cattle and for beef purposes, not taking into consideration the hide at all. Consequently, no farmer can be said to produce the hide. He raises the cow or the steer, but the profit on the hide, when it is taken off, does not come to him. While the farmer frequently kills cows and calves, he seldom kills fat cattle, and consequently seldom has their hide.

It has been claimed that the tariff increased the value of the hide on the back of the animal. That can not be proven, and we believe every particle of the additional value of the hide goes in an opposite

direction. We know that the great packing industry does not allow the farmer the benefit of free competition when he sends his stock to the cattle yards for sale. When he gets his stock to the yard he is confronted with a uniform price, which has been established by all the buyers. Whether from collusion or by agreement, I do not undertake to say. I am simply stating the facts. He has to take the price offered him for his cattle. He has no alternative but to take them home again. These animals are purchased on the basis of their beef value. If the packer finds that there is a strong demand for beef, he will advance the price sufficiently to induce the cattle raiser to ship in his cattle. If cattle come forward freely, and there is a liberal kill, hides are plentiful, and the tendency is toward a low price for the hide. If you will examine the statistics you will find that year after year this condition exists. Take the year 1895. In May beef sold on the hoof at \$6.15 per 100 and the hide sold for 12½ cents. In July of the same year the beef had fallen to \$5.85 a hundred, and the hide sold for 13½ cents. This condition is reproduced continuously from year to year, showing that the price of beef and the price of hides have no relation, except that it most frequently happens that the causes which produce high prices in beef tend toward low prices for hides.

It is well known that the hide is not sold the moment it is taken off the animal. It is salted and cured and placed in the cellar and sold later at a favorable opportunity. When a packer buys for beef, he can not, in the nature of things, exactly estimate the value of the hide. I think that the idea that the tariff helps the stock raiser by adding to the price of his animal, the percentage added to the value of the hide by the duty is erroneous. It is so obviously in error that it is hard to take arguments along that line seriously. We can show the contrary by many instances.

The gentleman from Ohio, Mr. Bannon, in his address formulated some interesting statistics (which are found on page 7 of his remarks) to show the value of sole leather and the value of the hide from year to year, and he shows that from 1890 to 1897, when the tariff bill was passed, the average price of the hide was 8.72 cents. According to Mr. Bannon's table, the average from 1898 to 1905 was 12.4 cents. It is therefore obvious that hides have greatly increased in value since the tariff was put on.

In considering the value of cattle it is not so easy to get exact figures, as quotations are made with such wide variations between the maximum and the minimum price, but we can get an intelligent idea of it by taking the exports of cattle as prepared by the government census and reasoning from that basis, which is, of course, reliable. We know that the best hides are taken from the heavy steers. We know that the heavy steers or well-prepared cattle are the ones that are exported. It would not pay to send an animal across the ocean that was not of good quality. As a matter of fact, they are among the best produced in this country, and as for many years the best cattle have produced for the feeder the highest prices and the best returns, it is fair to take them as a basis of the price of cattle to-day, in comparison with what it was before the tariff was put on. We find on this basis that from 1892 to 1897 the average value of the cattle sold abroad was \$91.75 apiece. This average has never been reached in any one year since, and we find the average price from 1898 to 1907

to be \$77.02. This shows that the value of the cattle has not increased since the tariff was put on, but that the hides have greatly increased. It will be hard under these circumstances for a packer or cattle raiser to show that he is benefited by the tax on hides, as the price of his cattle has gone down since the duty was put on, and the value of the hides alone has increased. I was speaking of the arguments against the contention that the stock raiser and the farmer received the benefit of the tariff in the increased value of his hides. I want to dwell upon that. As I stated, it is impossible in the nature of things to prove a matter like that to a demonstration, but I wish to point out additional facts that tend to show that it is not true. We called attention to the fact that the animal must, of necessity, be bought and sold by the packer on the basis of the value of beef. In glancing over the report of the Union Stock Yard and Transit Company, of Chicago, in 1904, I came across this circumstance. It states there, in describing the cattle market for that year, as follows (page 4):

Choice cattle were in strong demand nearly all the year, and top prices rose from \$5.85 in January to \$7.65 in December.

That represents the price of the best grade of cattle in Chicago during that period. It says immediately after this that short fed and poorly bred cattle, on the other hand, sold relatively low, and it states on the next page that this last class of cattle declined in December to an average price of \$2.90 per 100, the lowest price in years.

What I wish to show by this is that the value of the animals for beef was the only thing considered in making the price which the packer was willing to pay the farmer for the animals. There was small demand for beef of this poor class. Consequently, the price gradually lowered until they only brought \$2.90 a hundred, and yet the hides of these poor animals were about as valuable as from those for which they were willing to pay the top price. In other words, it must be apparent that when the demand for cheap beef was so small, that the packer was only willing to pay \$2.90 a hundred for the live animal, that he had not added to the beef value of this creature any extra price on account of the increased value of its hide to him. In other words, when beef is in good demand, they raise the price sufficiently to bring cattle to the market, and no higher. On any class of beef that is not in demand they reduce the price of the animal so low that there is no possible profit to the farmer in raising it, and the very low price which they pay would not by any thoughtful person be believed to include a gratuity to the farmer in the form of extra compensation for the hide. It seems to me there can be no basis on which to show any appreciable advantage to the farmer or stock raiser on account of this duty. Any claim of benefit must be imaginary or theoretical, and to put up a flimsy argument of that character, against the very heavy burden that has been placed upon an important industry, as well as upon every consumer, is certainly not good economic policy, and while, of course, we realize that the gentlemen of this committee, your predecessors, were not the people who put this duty on, we do feel that, having had this twelve years of experience and being aware, as you gentlemen now are, from what we have shown, and from what we propose to show, as to what the result actually has been, that it is not too much to expect you to see that it does not get on again.

I undertook to show by what I have said that the duty was not a protective one for the farmer. It certainly does not protect the workingman in this country, because there is no work in hides except merely the salting, but I want to go a step farther and show that it absolutely does protect the workingman in other countries, and I think that you will all agree that that is not the proper province for an American tariff. It simply compels the manufacturers of leather in this country to sell their leather at least 15 per cent less abroad than they sell it for in this country, and I leave it to you to decide if the man who has his material laid down at his factory at the lower price is not the man who receives the benefit of the protection. If there is an answer to that proposition I would like to know it. There is no question but what all classes of upper leather and sole leather made from these heavy hides are sold regularly, in the ordinary course of trade every day, at a far less price abroad than they are sold here.

The CHAIRMAN. I would be obliged if you would spend as little time as possible on these minor points and devote yourself to the main proposition.

Mr. JONES. The protection of the workman abroad seemed to me to be quite important. It does not protect us. It does protect the foreigner.

The CHAIRMAN. I understand what your point is.

Mr. JONES. There is another way in which you protect the other man. Hides are not a material that can be developed or grown at will. If you want more hides, you can not produce them without you take the beef. It is a fact which every one knows who is familiar with the subject at all that hides are getting more scarce year by year. Every hide that is taken off in the whole world has a ready market. It is immediately used up. Consequently, if anything happens that diverts the hides from this country, they are made up abroad. They are not wasted. The result has been that the tariff of 15 per cent on hides in this country has turned the current of hides that formerly reached us from South America and Africa and India to Europe, and every hide that goes there and is tanned and made up into shoes represents so much work taken away from the American laborer. If those hides came here as formerly, they would be used and they would be manufactured into shoes, and those shoes would be worn here or exported to meet the needs of the other countries in the world.

Another feature that we want you to look at for a moment, is the importation of cattle hides. Previous to this duty in 1897, the cattle hides imported were very much more than the cattle hides imported since the duty. The falling off in that time has been 27,890,000 pounds; in round numbers, 29,000,000 pounds less imported. That means so many less workmen employed, so much less leather goods manufactured in this country, and this loss is replaced by the leather goods manufactured by the foreigner.

Mr. LONGWORTH. Does Germany impose a duty upon hides?

Mr. JONES. No, sir; no highly civilized country imposes a duty on hides. [Laughter.]

The CHAIRMAN. Have you finished your remarks, Mr. Jones?

Mr. JONES. No, sir; I would like to continue if I may.

The CHAIRMAN. There are a great many people waiting to be heard on other subjects who have been here all day.

Mr. JONES. I wanted to point out also that we manufactured and exported every year about \$22,000,000 worth of upper leather and kid. Now it has been shown in answer to the questions of you gentlemen, that the labor cost of making shoes in this country was approximately, if not actually, the same as in other countries.

Mr. GAINES. Did you say that there was that much exported?

Mr. JONES. We export side leather and kid leather—import the skins and export the leather—amounting to \$22,000,000 a year, upper leather and kid. Now, if we had free sole leather to bottom these shoes with there is no reason why we should not make that leather up with the labor that we have here, that costs little or no more than the labor abroad, and export that leather in the form of shoes. That \$22,000,000 worth of leather would represent \$80,000,000 worth of shoes. The fact that we can not get the sole leather at the same price that the foreigner gets it absolutely prevents us from using up that leather in this country.

Mr. LONGWORTH. I don't want to interrupt your statement, but—

The CHAIRMAN. Would it not be well to wait until he closes?

Mr. LONGWORTH. I simply wanted to ask—

The CHAIRMAN. I know, but that "simply" leads to another question from another member. Will you not let him finish, and then the floor will be yielded to Mr. Longworth to ask any question he pleases, first.

Mr. LONGWORTH. I yield.

Mr. JONES. I will get through very quickly. What we contend is that if what I said is true, this duty is not protective, and it certainly was not levied for purposes of revenue, because we only tax one class of hides, which represents one-third to one-fourth the importation, and then we give a rebate on every hide made into leather that goes out of the country. So that plainly, it was not a revenue measure, and if it was not a revenue measure, it was not anything else but a bounty. Now we claim that if the Government wishes to pay a bounty, the money for it should not be raised by a tax on one industry. We claim that it should be raised by general taxation. We claim that there is no propriety or justice in laying a tax on the shoe and leather industry for this purpose, and if it should be continued, this bill should not be described as it now is, "An act to provide revenue for the government and encourage the industries of the United States," but should be described as "A bounty to be paid to the Beef trust," and should be paid from the proceeds of general taxation. The injustice of the present duty will account for a good deal of the feeling that the members of our trade have against this tax. It is a feeling of resentment shared by the members of our trade, in all sections of our country, the West as well as the East. We object to this tax, not in proportion to its amount, but in consequence of the fact that it is levied under conditions that we consider immoral and improper, and if, as it is claimed, it was levied for the benefit of the farmer, and it appears that the farmer has not got the benefit from it, the mistake should be corrected. We can point out the parties who have received the benefit.

I want to take just a moment to dwell on that. When this tariff duty was first put on the only kind of hide that the packers of this country controlled was the heavy steer hide, which weighed over 25 pounds. This was the class of hides on which the duty was levied.

They controlled them then and they control them now, and I want to say that within the last three or four years, since this Beef trust investigation was concluded, that the packers have been attending strictly to business, and they have developed their business in relation to hides and leather to an extent that none of us anticipated. At the present time they control not only the packer hides, but they control the country hides through their numerous agencies established throughout the country. They control at this time practically every hide that is produced in this country, and in addition to that they have become very large tanners. Armour & Co., Swift & Co., and Nelson Morris & Co. are tanning both upper and sole leather in large quantities. You can see the position of our friends in the leather business. I wonder that they have been as patient as they have been under existing conditions. It is like this: They are compelled by this law to go to their competitor to buy their raw material. Now that is an intolerable condition and I will show you just how it works. In October and November last year, owing to the panic and financial conditions, hides dropped like every other commodity to a very low price. The packers could not sell them as they would have liked to sell them, and they therefore put them into tanneries everywhere in this country where they could make an arrangement with the tanner to tan the hides for their account, at so much per pound. This leather has been produced in large quantities and they own it to-day at an exceedingly low basis of cost. Now they say to the tanners, "Gentlemen, if you want our hides they are 12, 13, 14, 15, 16, or 17 cents a pound, according to the grade of the hide." This is the highest price we have ever known in the history of the business. If they buy these hides and pay these exceedingly high prices, what are they going to do with the leather in competition with these gentlemen who have got it to sell on the basis of a 9-cent hide?

This condition is absolutely incompatible with independent tanning. Every independent tanner in the United States will be wiped out in three years if the duty is not taken off and we are not allowed access to the world's supply of hides. I must say that the packers have shown themselves to be first-class business men in this operation.

The CHAIRMAN. Do not spend so much time in complimenting the packers. There are 40 people to be heard after we get through with the leather business. I know in making that remark that it will be published in all the free-trade papers in the country that I am trying to choke off this business. Ever since I have been a member of this committee, I have fought a duty on hides; but, of course, those papers do not know that.

Mr. JONES. I will stop right now.

Mr. LONGWORTH. I wanted Mr. Jones to tell us his definition of "labor cost."

Mr. JONES. The money we pay to employees engaged in the manufacture of goods, together with the office help. The labor cost is the pay roll divided by the number of pairs produced.

Mr. LONGWORTH. But do you not take into consideration the efficiency of the labor?

Mr. JONES. Why, of course. That appears in the result. For instance, if our pay roll is \$100,000 a year and we make 100,000 pairs of shoes, the labor cost is \$1 a pair. If we make, on the same pay roll, 400,000 pairs of shoes, the labor cost is one-fourth that amount or

25 cents a pair. The efficiency or the amount of production of the labor controls the amount of the cost in this way.

Mr. BOUTELL. I want to put several questions, and I will leave blanks for your answers, so that you may fill them out.

Mr. COCKRAN. Would you mind reading them?

Mr. BOUTELL. Oh, yes; I will read the questions, of course. They involve the making of just three sets of figures.

How much less would or could \$2, \$3.50, and \$8 shoes sell at retail with, first, free hides; second, free hides and free leather, and third, free hides, free leather, and free shoes?

These are the figures that I tried to get from some of the tanners, and if you would just figure that out and hand it up, I would be obliged.

Mr. COCKRAN. I would like to ask a question. You stated that under the operation of this tariff the Chicago packers have engaged in the tanning business.

Mr. JONES. Yes.

Mr. COCKRAN. And that they are now the most important element in leather production.

Mr. JONES. Yes, sir.

The CHAIRMAN. You understood that, did you not?

Mr. COCKRAN. I just wanted to ask him the question to make sure that I understood him right.

The CHAIRMAN. You do not gain much by repeating it.

Mr. COCKRAN. I think it is very important to understand my premises correctly. I wanted to make sure of my premises. Now, I base my question on those premises. Assuming that these packers control the raw material of this industry, it rests with them to compel a union of all these concerns into one on their own terms, does it not?

Mr. JONES. It does.

Mr. COCKRAN. So that if the leather production of this country is not in a trust to-day controlled by these packers, it is owing to their forbearance rather than any lack of power.

Mr. JONES. It is due to the fact that their policy is not fully developed as yet.

STATEMENT OF HENRY J. MACFARLAND, PRESIDENT M. D. WELLS COMPANY, CHICAGO, ILL., WHO WANTS FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. MACFARLAND. I am a manufacturer of boots and shoes in Chicago. Mr. Jones has very ably represented the shoe interest. What we desire is this—to say for the West that heretofore it has been supposed that the agitation for the abolition of this duty on hides came largely from the East. That was true ten years ago. The industry of manufacturing shoes in the West has grown very largely in the last ten years, and so our delegation that comes from Chicago, St. Louis, and so on, and from the West, is much larger to-day than the representation from the East, so that the West now almost dominates what used to be an eastern idea. The manufacturing is growing out there very fast, and we indorse entirely what the East is doing in the agitation for the abolishment of this duty. I had prepared a

paper, and I will just simply leave it, and all I want to say is that the West emphatically indorses the position of Mr. Jones, who has very ably stated it.

Mr. CLARK. Is this position of yours satisfactory to the western shoe manufacturers generally?

Mr. MACFARLAND. I represent the Western Association of Manufacturers and Jobbers of Boots and Shoes, and they selected me to make such a statement.

Mr. CLARK. That includes the Southwest generally?

Mr. MACFARLAND. There are some St. Louis men here who represent that, but I think they will agree that we are as much interested as the eastern men are.

Mr. CLARK. I just wanted to know.

Mr. MACFARLAND. And that we are entirely in sympathy with taking the duty off of cattle hides. We want more tanneries instead of less, and this competition that is growing of the packers is abolishing competition.

Mr. CLARK. Are you in accord with taking the tariff off of leather?

Mr. MACFARLAND. I am, sir; absolutely.

Mr. CLARK. And boots and shoes?

Mr. MACFARLAND. I am not an exporter. The exporters have a different opinion from what I hold. I believe that this country can manufacture shoes in competition with any country on earth.

Mr. CLARK. That is all.

Mr. MACFARLAND. I think the skilled labor here is such that we can compete, and successfully compete, with any country.

Mr. BOUTELL. Who is the largest American exporter of shoes?

Mr. MACFARLAND. I think he is present to-day; Mr. Keith.

Mr. BOUTELL. Where does Mr. Keith live, in Brockton, Mass.?

Mr. MACFARLAND. Yes.

Mr. BOUTELL. Who is the next largest exporter?

Mr. MACFARLAND. I should think he was in Massachusetts.

Mr. BOUTELL. What is his name?

Mr. MACFARLAND. I should say Rice & Hutchins, Boston, Mass.

Mr. BOUTELL. If I was going to make a guess I should say Florsheim Brothers, of Chicago.

Mr. MACFARLAND. Yes.

Mr. BOUTELL. So that even the exporting business is moving west to Chicago?

Mr. MACFARLAND. Yes; and St. Louis exports very largely.

Mr. RANDELL. You say that the manufacturers of shoes in this country can compete with those of any country in the world, in your opinion. You mean in the markets of the world, do you?

Mr. MACFARLAND. Yes.

Mr. RANDELL. You do not just confine that to this country, the home market, but you mean the markets of the world?

Mr. MACFARLAND. I mean the skill with which shoes are manufactured; the skilled workmen of this country can overcome the handicap of the price of foreign labor.

Mr. RANDELL. And enable you to meet them in the markets of the world?

Mr. MACFARLAND. Meet them anywhere.

Mr. RANDELL. Then of course any duty would be a gratuity and a bounty?

Mr. MACFARLAND. My position is that we do not want any duty. There is a difference of opinion on that. No two men ever thought alike; but I have always been in favor of free raw material.

Mr. RANDELL. You have thought of this matter, and your deliberate judgment is that the shoe trade does not need any protection advantage; that it already has the advantage of the world?

Mr. MACFARLAND. That is my position exactly.

Mr. GRIGGS. Will you not answer me one question?

Mr. MACFARLAND. Yes, sir.

Mr. GRIGGS. Is it not your opinion that a high protective tariff long continued tends to make manufacturers timid and afraid to venture out?

Mr. MACFARLAND. I should say you are right.

Mr. GRIGGS. And do you not further think that it tends to make the labor less efficient rather than more efficient?

Mr. MACFARLAND. Well, I am a little mixed about that, but I think you are right about that.

**BRIEF SUBMITTED BY HENRY J. MACFARLAND, CHICAGO, ILL.,
IN ADVOCACY OF DUTY-FREE HIDES.**

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: Every man engaged in any business is naturally interested in the effect of a combination among those to whom he must look as the source of the supply of the raw material in his particular business. Tanners and shoe manufacturers, therefore, are naturally interested in any combination by which the source of the supply of their raw material is affected. What is the raw material of the tanners and shoe manufacturers? Hides. Who controls the supply of cattle hides in the United States? Supposedly the large packers. Any combination, therefore, among the large packers must necessarily seriously affect the tanners in the United States, and if all tanners are affected by such a combination, then all the industries which in turn depend upon tanning industry, namely, leather of all kinds, shoe manufacture, harness manufacture, belting manufacture, etc., are in turn affected. All of these industries, therefore, may be said to depend absolutely upon the so-called "beef industry," which controls the source of the supply of their raw material. This statement is borne out fully by the report of Commissioner Garfield on the beef industry filed March 3, 1905. In that report he says, on page 211:

The by-products derived from cattle by the western packers constitute an enormously important factor in their business. The value of a hide is usually greater than the combined value of all the other by-products derived from a beef animal.

The packers themselves have from the very start realized that controlling the supply of hides they practically have control of the tanning industry and of all the other industries dependent upon that. Realizing their power in this regard, they have not been satisfied to sell the hides to tanners generally, even though in so doing they would be in a position to fix the price which tanners must pay for their hides, but they have gone further in an effort to corral the tan-

ning industry itself into their own hands by acquiring control of the large tanning concerns of the United States.

Representing the boot and shoe manufacturing, wholesaling, and retailing interests of the entire western part of the country, and basing our conclusions of more than eleven years' practical experience with the tariff of 15 per cent on cattle hides, we assert that it is a burden on every one of the 86,000,000 consumers of boots and shoes in this country.

Our reasons for this assertion are that the laws of profit in business will eventually and just as certainly give the consumer of the necessities of life (food and raiment) the benefit of a reduction in the raw material entering into the manufacture of these necessities, as would the consumer be compelled sooner or later to bear the burden of an advance.

For a man's shoe it takes 3 feet of leather to a pair, extra cost for upper, 4½ cents per pair. We estimate the sole leather for the workman's shoe at 2 pounds to a pair, and the extra cost on account of the duty 2½ cents a pound on sole leather, or 5 cents per pair, so that the duty would add to the cost of this grade of a shoe from 9½ cents to 10 cents per pair.

Heavy workmen's shoes are the hardest hit because they require much more leather. All skins and all hides are free except cattle hides, so that the duty applies the injustice to the workman's shoes, and to the poor man. Fine shoes for men, and all women's shoes are made from skins as a rule, and the uppers escape the duty. On the sole leather they also suffer from the duty to the extent of cost of soles.

In the repeal of the hide duty the benefits would first accrue to the tanner from whom the manufacturer of shoes would demand it, thence down through the wholesaler to the retailer, who, by reason of the laws governing competition, whether willingly or not, have to give it to the consumer, and with the packers in complete domination of all domestic raw material for making leather and a tariff to keep out foreign hides, there can be no hope for extension of the export trade in shoes that is the only salvation of our business.

We submit the following resolution:

"Whereas the real beneficiaries of the hide duty being the great corporations seeking to control and monopolize the domestic production of cattle hides, and the leather produced therefrom, and

"Whereas in view of the decreasing domestic supply of hides, the importation of them is absolutely essential to supply the home and export demand for leather out of which to make boots and shoes; now therefore be it

"*Resolved*, That we, the manufacturers, wholesalers, and retailers of boots and shoes, located in the western part of the country, do protest against the unwise continuance of the tax that oppresses the many for the benefit of the few, and we respectfully ask that cattle hides be restored to the free list, where they were continuously for twenty-five years prior to the tariff act of 1897."

All of which is respectfully submitted.

HENRY J. MACFARLAND,
*Of the Western Association of Wholesale
Manufacturers and Jobbers of Boots and Shoes.*

**STATEMENT OF R. F. SPENCER, OF ST. LOUIS, MO., WHO FAVORS
THE REMOVAL OF ALL DUTY FROM HIDES.**

SATURDAY, *November 28, 1908.*

Mr. SPENCER. I represent the shoe manufacturing interests of St. Louis, and I merely want, in indorsement of what Mr. Jones has said, to indicate that the question is not only sectional, but we of the West are in perfect accord with the manufacturers of the East on this question. Here is a brief which I would like to submit.

Mr. GRIGGS. You call that from the West?

Mr. SPENCER. From the Southwest.

Mr. GRIGGS. We are not going to lose you as being a part of us.

Mr. SPENCER. I am from St. Louis; you can locate it as you may elect.

Mr. McCALL. Is not the shoe industry very well developed in St. Louis?

Mr. SPENCER. Yes.

Mr. McCALL. Manufacturing?

Mr. SPENCER. Yes.

Mr. GAINES. You make a great many shoes, you say?

Mr. SPENCER. Yes, sir.

Mr. COCKRAN. You export them, according to the answer to Mr. Boutell's question.

Mr. SPENCER. Yes, sir.

Mr. COCKRAN. Where do you export them to?

Mr. SPENCER. To Mexico; some to Germany, some to England, and a little to Ireland, and some to France.

Mr. GRIGGS. Any to Belgium?

Mr. SPENCER. No, sir. We have done it occasionally, but not with any success.

Mr. CLARK. The industry of manufacturing shoes has increased all over Missouri as well as in St. Louis, has it not?

Mr. SPENCER. It proceeds from St. Louis, sir.

Mr. CLARK. I know; that is the center from which it radiates?

Mr. SPENCER. Yes.

Mr. RANDELL. Do you agree with the gentleman who just preceded you that manufacturers of shoes in this country can compete in the world's markets, with an advantage over their competitors, without any tariff?

Mr. SPENCER. They can as conditions are at present. It must not be overlooked, though, that the European manufacturers of shoes are becoming more skillful each year in their imitating of our methods. They send their foremen to America to acquaint themselves with our methods of making shoes, our handling of shoemaking machinery, and they go back, and year by year their own operatives become more expert.

Mr. RANDELL. As it is to-day we have the advantage?

Mr. SPENCER. We have the advantage, I should say, sir.

Mr. RANDELL. Do you also agree with the statement made here by some gentleman to-day, who said that in 1897 the labor of Europe was higher than labor here, as he took it from his standpoint of production, and that there is less difference now than there was then? Do you agree with that?

Mr. SPENCER. It is logical that it should be the case, because as the European operative, the European shoemaker, becomes more skillful he necessarily narrows up the gap between his efficiency and that of the American operative.

Mr. RANDELL. And you agree with the proposition, then, that the cost of labor in America is less than it was in Europe, from the standpoint of production, in 1897?

Mr. SPENCER. Yes, sir.

Mr. GRIGGS. You say that labor has become more efficient in Europe since then, and that narrows the gap between the European labor and the American labor? What is your answer to that?

Mr. SPENCER. You reiterated what I have said, sir.

Mr. GRIGGS. Yes.

Mr. SPENCER. Yes, sir.

Mr. GRIGGS. If that be true, is it not your opinion that European labor is becoming more efficient because it has been compelled to, being free?

Mr. SPENCER. Well, as to the cause I would not pass judgment. There are probably a number of causes that contribute to that.

Mr. GRIGGS. I asked you your opinion about that. You say they are becoming more efficient?

Mr. SPENCER. More efficient, if you will excuse me for breaking in.

Mr. GRIGGS. Certainly.

Mr. SPENCER. More efficient because of the example of the efficiency on this side.

Mr. GRIGGS. Exactly. Now, ours have not improved, but have been at a standstill because they are protected?

Mr. SPENCER. We have exhausted the possibilities of the development of the trade, possibly.

Mr. GRIGGS. You do not believe that, do you?

Mr. SPENCER. I mean so far as the efficiency per man is concerned.

Mr. GRIGGS. Do you not believe if we are set free on these questions that we will become more efficient than we are now?

Mr. SPENCER. With respect to making a better shoe at a price?

Mr. GRIGGS. Yes.

Mr. SPENCER. That may be, sir.

Mr. COCKRAN. Mr. Griggs means that when your only protection is the superiority of the product you are very likely to be improving it all the time, are you not?

Mr. SPENCER. Yes; I think so.

Mr. COCKRAN. In other words, you think that the best guaranty for improvement, continual improvement, is to make the industry depend for its existence upon the superiority of its product?

Mr. SPENCER. I do, sir.

Mr. COCKRAN. I agree with you.

Mr. GAINES. Where is the greatest wage paid, in this country or in Europe, in the shoe business?

Mr. SPENCER. I should say in this country.

Mr. GAINES. Have any of the persons interested with yourself filed a comparative statement of labor cost in this country and abroad?

Mr. SPENCER. I do not know that that has been done.

Mr. GAINES. I wish some of you would do that. Is it not a fact that, man for man, the American is paid very much more, but that some years ago the machinery efficiency of the American factory was much higher than the machinery efficiency of the foreign factory, and that the foreigner by using American methods and American machinery has increased in that way the efficiency of the foreign labor?

Mr. SPENCER. That is my position.

Mr. GAINES. And is not that what you mean when you say that the cost of labor was greater in Europe in 1897 than in America; but the conditions since that time have been equalized, or, as Mr. Jones put it, the advantage is with Europe against America, slightly?

Mr. SPENCER. At this time?

Mr. GAINES. Yes.

Mr. SPENCER. Yes, sir.

Mr. GAINES. That is all.

The CHAIRMAN. Are there any further questions?

Mr. CALDERHEAD. You say that the shoe manufactories in the West have increased now under this tariff?

Mr. SPENCER. Because of our natural position with respect to the development.

Mr. CALDERHEAD. Has the tariff injured you?

Mr. SPENCER. We have not felt it except possibly in the increased cost of the materials which we use.

Mr. CALDERHEAD. If the tariff was entirely removed would it increase the development?

Mr. SPENCER. It will, in my judgment; yes, sir.

Mr. CALDERHEAD. Just how?

Mr. SPENCER. It will enable us to buy raw materials at a less price. It will enable us to give a superior shoe at a price.

Mr. CALDERHEAD. Just a moment. You need not go any further. Who furnishes the raw material?

Mr. SPENCER. The tanners.

Mr. CALDERHEAD. And who furnishes them?

Mr. SPENCER. The packers and the takers of the hides from the backs of the animals.

Mr. CALDERHEAD. And who furnishes them?

Mr. SPENCER. And who furnishes them?

Mr. CALDERHEAD. Yes.

Mr. SPENCER. We are getting back to God, are we not?

Mr. CALDERHEAD. The cattle raisers, the fellows who ship cattle. Have they anything to do with it?

Mr. SPENCER. The shippers of cattle?

Mr. CALDERHEAD. Yes.

Mr. SPENCER. In my judgment, the shipper of the cattle has very little to do—I mean the price of the hide has very little to do with his price.

Mr. CALDERHEAD. Just wait a minute. Now, who furnishes these packers with hides?

Mr. SPENCER. The men who sell them the steers, of course.

Mr. CALDERHEAD. Sure, and they are the fellows who furnish the raw material which you finally sell to the consumer?

Mr. DALZELL. The products of which they sell to the consumer?

Mr. CALDERHEAD. Yes.

Mr. SPENCER. Yes; that is a fact.

Mr. CALDERHEAD. And the tariff has no relation to this process?

Mr. SPENCER. It has, in increasing the ultimate cost of the component parts of the shoe.

Mr. CALDERHEAD. What relation has it to the man who produces the cattle?

Mr. SPENCER. None whatever.

Mr. CALDERHEAD. None whatever?

Mr. SPENCER. I would say none, in the sense that it does not help him.

Mr. CALDERHEAD. These packers have become tanners?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. Do you think they will quit if the tariff is taken off?

Mr. SPENCER. It would at least give the independent tanner more of an opportunity to compete with them.

Mr. CALDERHEAD. What advantage will that be to the man who sells the cattle?

Mr. SPENCER. That is a matter that I—

Mr. CALDERHEAD. You had not considered?

Mr. SPENCER. I had not considered, sir.

Mr. CALDERHEAD. Surely; that is all.

Mr. COCKRAN. You heard Mr. Jones's lucid description of how this tariff tax is all seized by the packer, and diverted from the producer, did you not?

Mr. SPENCER. I do not remember to have heard that, or noted that particular point. I might not have been in the room.

Mr. COCKRAN. You say that this tariff tax does not benefit the agriculturist, but does the packer; you said that in answer to Mr. Calderhead, did you not?

Mr. SPENCER. That was my opinion.

Mr. COCKRAN. Then you stated that as the result of your own observation?

Mr. SPENCER. Yes, sir.

Mr. COCKRAN. Mr. Calderhead asked you how placing the hides on the free list would operate to relieve the tanning industry from the domination of the packers. Surely if the entire supply of the world is thrown open to them, the power of the packers would be gone, would it not?

Mr. SPENCER. Would what?

Mr. COCKRAN. If the entire supply of the world is thrown open to the tanners of this country, the power of the packers over them would be broken?

Mr. SPENCER. Yes.

Mr. COCKRAN. And the power they have over them now lies in the fact that they control, through the operation of this tariff, practically the entire supply of raw material.

Mr. SPENCER. Yes.

Mr. COCKRAN. And your position here is that by repealing that tax the tanners in this country will have access to the supply of the world?

Mr. SPENCER. Yes.

Mr. COCKRAN. To the supply of raw material of the world?

Mr. SPENCER. Yes.

Mr. GRIGGS. Just one question on the line of Mr. Calderhead's questions. Assuming that the farmer—and by that I mean the ordinary farmer through the country who kills a few head of cattle every year—gets the benefit of the 15 per cent on hides, will he not in the course of the year, with the 20 per cent duty on leather and the 25 per cent on shoes, more than pay back what he gets?

Mr. SPENCER. Yes.

Mr. GRIGGS. Because he will have to pay back his 15 per cent?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. Do you mean the farmer?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. He will pay back his 15 per cent?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. If the packer fixes the price of the cattle now, what will he do when the tariff is taken off?

Mr. SPENCER. Fixes the price of the cattle?

Mr. CALDERHEAD. Yes; fixes the price of the cattle. What will he do when the tariff is taken off?

Mr. SPENCER. I could not answer that.

Mr. CALDERHEAD. Will he reduce the price of cattle or increase it?

Mr. SPENCER. I can see where he might be compelled to reduce the price of hides, but as to the price of cattle, I do not know.

Mr. CALDERHEAD. He buys the cattle with the hides on; he does not buy them without.

Mr. SPENCER. Naturally not; but so far as I know the value of the hide on a steer does not cut much of a figure in the price paid for it.

Mr. CALDERHEAD. Nothing except the weight, so much a pound, where he buys them.

Mr. SPENCER. Yes.

Mr. CALDERHEAD. Then will he increase or reduce the price of the cattle when the tariff is taken off of hides?

Mr. SPENCER. That would depend upon the supply of cattle at the particular time.

Mr. CALDERHEAD. And the weight of the hide?

Mr. SPENCER. No; as to whether he would reduce or increase the price.

Mr. CALDERHEAD. No. You are not either buying or selling cattle or hides?

Mr. SPENCER. No, sir.

Mr. CALDERHEAD. You do sell shoes?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. What per cent of the cost of shoes is this tariff on hides?

Mr. SPENCER. The cost of a shoe?

Mr. CALDERHEAD. Never mind.

Mr. SPENCER. The labor cost of a shoe is generally reckoned—

Mr. CALDERHEAD. Just what per cent of the cost of the shoe is this tariff? I do not care about the rest.

Mr. SPENCER. Well, it would be a little difficult for me to answer.

Mr. CALDERHEAD. You could not tell?

Mr. SPENCER. It would depend entirely upon the shoe.

Mr. CALDERHEAD. Just a moment, now. Is it any greater per cent of the cost of the shoe than the local taxes and insurance upon your business?

Mr. SPENCER. That is a question rather harder for me to answer than—

Mr. CALDERHEAD. How do you put it in, then, in the cost of a shoe?

Mr. SPENCER. We simply base the cost of a shoe upon what we pay for the materials entering into it.

Mr. CALDERHEAD. And what else?

Mr. SPENCER. And the labor, of course, plus a reasonable profit.

Mr. CALDERHEAD. And what else? Do the taxes and insurance and things of that kind have anything to do with it?

Mr. SPENCER. Those are the natural expenses of doing business.

Mr. CALDERHEAD. And the value of the property, and all that?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. How do you just fix the cost of a shoe now, for yourself?

Mr. SPENCER. We ascertain the gross cost of doing business, and we add that much to the cost of each shoe.

Mr. CALDERHEAD. Did you ever take into account this tariff, in doing that? Do you remember ever taking into account this tariff?

Mr. SPENCER. That is included in the cost of the material to us.

Mr. CALDERHEAD. The cost of the leather?

Mr. SPENCER. The cost of the leather, whatever it may be.

Mr. CALDERHEAD. And you never went back to see where the leather came from?

Mr. SPENCER. No, sir.

Mr. CALDERHEAD. That is all.

Mr. GRIGGS. You do not believe in a tariff on rents, do you?

Mr. SPENCER. On rents?

The CHAIRMAN. On what?

Mr. COCKRAN. On rents.

Mr. GRIGGS. This is a matter of interest, Mr. Chairman, and I have the right to ask that question, if I am foolish enough to ask it.

Mr. RANDELL. I want to ask a question.

Mr. GRIGGS. He did not answer mine.

Mr. SPENCER. I did not consider you had put it seriously.

Mr. GRIGGS. All right.

Mr. RANDELL. Please give us your opinion about what would be the difference of per cent of the cost of shoes in general, such as are worn by the ordinary public, farmers and so forth; what would be the difference in the per cent of the value of the shoes as they stand under present conditions, and as they would be if the tariff was removed from hides, leather, and shoes?

Mr. SPENCER. Ultimately there might be no difference, but it would enable the manufacturer to give a much better shoe at a price.

Mr. RANDELL. I am talking about the same shoe.

Mr. SPENCER. The same shoe, made exactly as it is?

Mr. RANDELL. Yes; instead of putting the difference in the quality of the shoe to put it in the price; what per cent?

Mr. SPENCER. It would probably reduce it. I would say that the shoe the manufacturer sells to a retailer to-day at from \$1.35 to \$1.40

would probably be reduced 10 cents per pair, or possibly 6 or 7 per cent.

Mr. RANDELL. That would be to the wholesaler?

Mr. SPENCER. Yes.

Mr. CALDERHEAD. Did you ever make that estimate before in your life?

Mr. SPENCER. I have, in going over the question; yes, sir.

Mr. BOUTELL. We were promised by the tanners that the shoe manufacturers would tell us the method that was adopted in the trade for fixing a stable and uniform retail price for a given shoe. It has not been given us yet. Can you give us that? Let me say, first, the reason we want to get that information. Mr. Jones is going to give us the possible reduction that this reduction of the tariff could make in three prices of shoes, \$2, \$3.50, and \$8 shoes, the reduction that could be made if we repealed the duty on hides and leather in the price to the retailer. Now, in order that the consumer, the ultimate consumer, may be prevented from having this possibility of reduction absorbed, can you tell us how it is that this uniform and stable retail price of shoes is fixed? In other words, how is the celebrated \$3.50 Douglas shoe valued, how is the price fixed, if you know?

Mr. SPENCER. Well, I do not know, sir. You ask me a question about another man's business that I could hardly answer with intelligence or fairness.

Mr. BOUTELL. Well, I did not mean to ask you about any other man's business; I simply mentioned that because we see it every day in every city, that there is what is known as a \$3.50 shoe.

Mr. SPENCER. Yes.

Mr. BOUTELL. Do you know how they fix the price on that \$3.50 shoe?

Mr. SPENCER. It is based on the cost of the materials entering into the shoe.

Mr. BOUTELL. No. How is it that every retailer from Maine to California sells it, and even paints elaborate signs advertising it? You go down Pennsylvania avenue or F street, and you will see "The Douglas celebrated \$3.50 shoe." What method is adopted by the wholesalers or jobbers to keep that price among all the retailers?

Mr. SPENCER. I do not know, sir. I would say, offhand, that taking a man retailing Douglas shoes at \$3.50 in Boston and a dealer retailing a \$3.50 shoe made by Mr. Douglas in Portland, Oreg., the Boston man would give much more value for \$3.50 than the Portland, Oreg., man would, necessarily.

Mr. BOUTELL. That is one secret in the trade. The Portland, Oreg., man sells for \$3.50 an inferior quality of shoe by the amount of the freight?

Mr. SPENCER. This is only theory, sir. I am just stating the case in a theoretical manner.

Mr. BOUTELL. Yes.

Mr. SPENCER. I would say, further, that on these fixed-price shoes that you see advertised in the daily papers and magazines, there is a range of prices quoted from \$3 upward to \$5. The man who had not the \$3 per hundredweight to pay between the manufacturing town and the selling town would necessarily give better value at \$3.50 than the man who had to pay the freight.

Mr. BOUTELL. So far as you know, is there, or is there not, a contract running between the manufacturer and the jobber and the retailer?

Mr. SPENCER. There is not; no, sir.

The CHAIRMAN. Has not some other gentleman a question?

Mr. GAINES. I have, and I am just about to ask it.

The CHAIRMAN. All right. I was afraid you were all through.

Mr. GAINES. You state that the difference made by the tariff in the cost of the leather that went into the shoe would be about 10 cents, being practically the same as Mr. Jones stated. He said 9 cents in a \$2 shoe. That is a little bit less. It is precisely 5 per cent on your calculation and a little bit less than 5 per cent on his.

Mr. SPENCER. Oh, no; we both based our calculation on the cost of the shoe to the man who sells it to the retailer—the manufacturer.

Mr. GAINES. On the contrary, I think Mr. Jones based his on the cost of the leather, the amount that the tariff added to the cost of the leather that entered into the \$2 shoe. Is not that the basis upon which you have made your calculation?

Mr. SPENCER. He made his percentage based on the price that the shoe cost the manufacturer, not the cost to the retailer.

Mr. GAINES. The price that the shoe cost the manufacturer?

Mr. SPENCER. Yes.

Mr. GAINES. You said that the price to the retailer would be, in your opinion, reduced to about that amount; that is, the price to the public, to the man who last bought the shoe in order to use it; that is, the price would be reduced about 10 cents on the shoe. Did you not?

Mr. SPENCER. I said to the retailer; not to the man who wears the shoes.

Mr. GAINES. Not to the man who wears the shoes?

Mr. SPENCER. No, sir; but to the man who buys the shoes to sell to the man who wears them.

Mr. GAINES. The retailer?

Mr. SPENCER. Yes.

Mr. GAINES. To whom do you sell your shoes that you manufacture?

Mr. SPENCER. To the retailer.

Mr. GAINES. To the jobber?

Mr. SPENCER. To the retailer entirely.

Mr. GAINES. To the retailer? Shoes are generally sold to a jobber, are they not?

Mr. SPENCER. Well, no.

Mr. GAINES. And by the jobber to the retailer.

Mr. SPENCER. That is rapidly becoming an obsolete practice in the trade.

Mr. GAINES. I do not know how it is becoming, but I know myself that it is not an obsolete practice, because I see the jobbing houses in the country where I live.

Mr. SPENCER. That is a fact, sir.

Mr. GAINES. So that your opinion is that the retailer would get all the benefit of the 10 cents and you would get none of that as a manufacturer?

Mr. SPENCER. That we would get none of it?

Mr. GAINES. No.

Mr. SPENCER. It would simply find us a readier sale.

Mr. GAINES. How about the jobber—would he get none of it?

Mr. SPENCER. Certainly.

Mr. GAINES. He would get some of it?

Mr. SPENCER. Yes; and those manufacturers that make shoes for the jobbers. There are manufacturers who make shoes to sell to the retailers, and other manufacturers who make shoes to be sold to jobbers, to be again sold to the retailers at a profit.

Mr. GAINES. But as a general proposition throughout the country to-day the country storekeeper buys his shoes from the jobber, does he not?

Mr. SPENCER. The jobber-manufacturer, if you may call him such.

The CHAIRMAN. Has any other gentleman a question?

Mr. GAINES. I have not concluded, Mr. Chairman.

The CHAIRMAN. I beg your pardon.

Mr. GAINES. Do you manufacture any shoes which retail at \$2?

Mr. SPENCER. Yes.

Mr. GAINES. In your opinion, will the consumer get those shoes 10 cents cheaper if we remove the tariff on hides?

Mr. SPENCER. The consumer?

Mr. GAINES. The man who wears the shoes.

Mr. SPENCER. I should say he would; yes, sir.

Mr. GAINES. Then you do not think that the manufacturer will get any benefit except the extension of his trade and the jobber will take none of the 9 cents?

Mr. SPENCER. That is a question I could hardly answer. What the manufacturer wants is a little wider market in which to buy his raw material.

Mr. GAINES. And it is really the manufacturing consumer who is making this fight? My position is just this: The fact that the laboring man who has been talked about here, who buys the \$2 shoe, will not get his shoes any cheaper may not be a reason for taking the action which you want us to take, and that is the reason why the fight you have made in the name of the laboring man is in the interest of the manufacturing consumer also?

Mr. SPENCER. The consumer will get a benefit ultimately in that he will get a much better shoe at a price than we are able to give him to-day.

Mr. GAINES. So that nobody will benefit all along the line here by that 9 cents except the ultimate wearer of the shoe?

Mr. SPENCER. The ultimate wearer.

Mr. GAINES. Do you not know the benefit will go to the jobber and retailer and not to the final consumer?

Mr. SPENCER. No, sir; that is not the case.

Mr. GAINES. That is what I think.

Mr. SPENCER. The manufacturer will get his profit anyhow; he will sell an inferior shoe still at a profit which ultimately comes out of the pocket of the consumer, and the man who buys the shoe will not get as good a shoe at a price as if the manufacturer could sell him at the same price for which he is making a line of shoes without the tariff, without, we will say, this specific 10 cents added cost through the operation of this tariff.

Mr. GAINES. If I get your answer, to proceed any further would be argument.

Mr. CALDERHEAD. I hope you did not understand my questions to be for the purpose of finding fault with St. Louis. I have taken a good deal of pride in the development of shoe factories at Chicago and St. Louis and Kansas City within the last ten years under the operation of this bill, with the present tariff law, and a good many other manufactories that have been creeping closer and closer to the place where the output is produced, and the raw material. The whole issue between us is whether this tariff is a protection to the farmer who produces the cattle that furnish the hides, or not. Now, if it is not, why not?

Mr. SPENCER. We have never considered it any protection to the farmer. The average farmer does not produce more than a hide or two in a year that he sells as a hide.

Mr. CALDERHEAD. Just a moment. I do not know any farmer in my State who sells cattle one or two in the year. They sell their cattle by the carload or by the hundred carloads.

Mr. SPENCER. I said who sells the cattle with the hides on.

Mr. CALDERHEAD. Yes.

Mr. GRIGGS. You said the average farmer, too, did you not?

Mr. SPENCER. Yes, sir.

The CHAIRMAN. Gentlemen, if you want to have a debate, please address the Chair.

Mr. CALDERHEAD. Very well. I say, then, if the Chair please, I do not know any farmer who sells one or two cattle in a year.

Mr. SPENCER. Then, evidently, our acquaintance with the farmers is in different localities.

Mr. CALDERHEAD. Come out and get acquainted.

BRIEF SUBMITTED BY R. F. SPENCER, ST. LOUIS, MO., REPRESENTING ST. LOUIS LEATHER MANUFACTURERS, WHO WANT DUTY REMOVED FROM HIDES.

ST. LOUIS, *November 21, 1908.*

The WAYS AND MEANS COMMITTEE,
Washington, D. C.:

The restoration of cattle hides to the free list is a vital issue to all leather-consuming industries, for the following reasons:

Cattle hides are strictly raw material, and the theory of protection can not logically be applied to them, because, no matter what the tariff is, the hopelessly inadequate domestic supply, which for this reason is subject to manipulation, can not be increased thereby, because cattle hides are simply a by-product and the supply depends absolutely on the demand for beef.

The tariff on cattle hides of 15 per cent imposed by the Dingley tariff law of 1897 favors the packers only, who need no protection, while it works great harm and hardship to tanners, shoe manufacturers, harness manufacturers, bag and trunk manufacturers, glove manufacturers, and, in fact, to every leather-using industry, by an unwarranted increase in prices, while the farmer, who is supposed to be benefited, pays increased prices on shoes for his entire family, as

well as on harness, saddles, horse collars, gloves, and mittens; and as the farmer and laboring man, respectively, are the largest consumers of leather, they bear the greater portion of the burden of high prices.

Therefore, for the above-mentioned reasons, the undersigned users and manufacturers of leather of St. Louis, Mo., respectfully request the Ways and Means Committee of the House of Representatives to recommend to and urge strongly upon Congress that the duty of 15 per cent on hides be abolished.

E. Hartmann Hide and Leather Co.; Hermann Oak Leather Co.; James Clark Leather Co.; Shultz Belt-ing Co., J. R. J. Shultz, president; California Tan-ning Co., per E. C. Markmann, president; Wm. M. Taggart; Western Leather Co.; Standard Leather Co.; E. K. Leiber Leather Co.; J. W. Schloeman Leather Co., by O. H. Schloeman, secretary; Alfred Scannell Leather Co.; P. Burns Saddlery Co.; William Homann Saddlery Co.; Meyer, Bannerman & Co.; Straus Saddlery Co.; J. B. Sickles Saddlery Co.; P. C. Murphy Trunk Co., per W. S. Maxwell; Herkert & Meisel Trunk Co., per J. A. Meisel; Wm. Higgins Leather Co., H. S. Higgins, secretary and treasurer; Standard Heel and Counter Co., S. Hunt, president.

ST. LOUIS SHOE MANUFACTURERS AND JOBBERS PETITION FOR THE REMOVAL OF THE DUTY FROM HIDES.

St. Louis, Mo., *November 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Whereas it is a recognized and indisputable fact agreed upon by tanners, leather dealers, shoe manufacturers, harness manufacturers, trunk and bag manufacturers, glove manufacturers, and by every merchant or manufacturer connected with the leather industry in allied trades, that the duty of 15 per cent imposed upon cattle hides by the Dingley tariff law of 1897 is entirely unfair and works great harm and disadvantages to the industries herein mentioned by an unwarranted increase in the price of raw stock, which in this case are raw cattle hides; and

Whereas in practice the duty on hides affords protection to practically no one but the large packing interests, and permits them to manipulate the hide market and places the tanners and manufacturers of leather goods at their mercy; and

Whereas the removal of said tariff on hides will necessarily result beneficially to the great masses of people of the country, especially to the farmer, mechanics, and laboring classes, who are the largest consumers of leather, by lowering prices on manufactured leather goods generally: Now, therefore, be it

Resolved, That we, the undersigned shoe manufacturers and jobbers of St. Louis, Mo., do hereby respectfully request the honorable Ways

and Means Committee of the House of Representatives to recommend to and urge strongly upon Congress that the duty of 15 per cent on hides be abolished.

Roberts, Johnson & Rand Shoe Company, by Jno. C. Roberts; Wertheimer-Swarts Shoe Company, by J. J. Wertheimer, president; The Courtney Shoe Company, Wm. Sieburgh, president; Geo. F. Dillmann Boot and Shoe Company, W. H. Dillmann, president; Giesecke-D'Oench-Hays Shoe Company, Wm. D. Buck, president; James Clark Leather Company, Cyrus E. Clark, president; Friedman-Shelby Shoe Company, A. Friedman, president; Geo. F. Daniels & Co., Stanley Wass, resident manager; Johansen Bros. Shoe Company, Fred H. Weber, vice-president; The Brown Shoe Company, G. W. Brown, president; John Meier Shoe Company, Edw. J. Meier, secretary; Caruthers-Jones Shoe Company, L. H. Doan, vice-president; Hamilton, Brown Shoe Company, H. L. Brady, secretary; Vinsonhaler Shoe Company, per H. Vinsonhaler, secretary and treasurer; Goddard-Bennett Shoe Company, W. C. Bennett, secretary; Goodbar Shoe Manufacturing Company, A. B. Goodbar, president; St. Louis Shoe Company, by T. G. Morfit, president; Peters Shoe Company, H. W. Peters, president.

MILWAUKEE (WIS.) BOOT AND SHOE MANUFACTURERS URGE THAT HIDES BE PLACED ON FREE LIST.

MILWAUKEE, *November 17, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Whereas a revision of the tariff is now being considered by the Ways and Means Committee of the National House of Representatives, adapted to present conditions of the industries of the United States; and

Whereas the boot and shoe industry of this country, now representing an annual production of about \$400,000,000, has, since the passage of the Dingley bill in 1897, been suffering from an unjust and unnecessary tariff on hides of 15 per cent, which is a discrimination against the American manufacturer and in favor of the European manufacturer; and

Whereas it is an undisputed fact that this tariff works also to the detriment of the consumer of boots and shoes, especially to those that use boots and shoes made of the heavier leathers, and also deprives labor in our tanning industries of their legitimate amount of work on account of the scarcity of hides, the importation of which is largely checked through the present tariff: Be it therefore

Resolved, That the undersigned boot and shoe manufacturers of the city of Milwaukee and State of Wisconsin, in meeting assembled this 17th day of November, 1908, respectfully but most earnestly petition the Ways and Means Committee to give this matter due consideration

and recommend the removal of this tariff, which is an injury and imposition on one of the leading industries of this country and protects nobody, as hides in their raw state are not a manufactured product and cattle are sold by the farmer on hoof for beef, for which he does not receive any advance in price no matter what the market price of hides may be; be it further

Resolved, That a copy of the above resolutions be submitted to the Wisconsin Representatives in Congress and to our United States Senators.

Harsh, Smith & Edmonds Shoe Co., per Geo. R. Harsh, prest.; V. Schoenecker Boot & Shoe Co., per John J. Gasper; Kalt-Zimmers Mfg. Co., per Mich. Zimmers, sec'y and treas.; F. Mayer Boot & Shoe Co., A. J. Mayer; Bradley & Metcalf Co., W. N. Fitzgerald, prest.; Beals & Torrey Shoe Co., F. E. Beals, prest.; The Rich Shoe Co., per A. W. Rich; Wevenberg Shoe Mfg. Co., F. L. Weyenberg; A. H. Weinbreunner Co. J. H. Gage.

STATEMENT OF CHARLES A McCARTHY, SHOE MANUFACTURER OF AUBURN, N. Y., WHO ASKS FOR FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. McCARTHY. Mr. Chairman and gentlemen, it was not the purpose of the boot and shoe manufacturers to worry you with arguments, but in the main to have Mr. Jones present their case, and to have you feel that this matter is not sectional, that it represents the East, the West, the North, and the South. I do not know why I was drawn into it at all unless for the reason that I reside in the same town in which Mr. Payne lives when he is at home.

Mr. COCKRAN. That is an excellent reason.

Mr. McCARTHY. That is where Mr. Payne is unfortunate.

Mr. COCKRAN. You need not give a better reason.

Mr. GRIGGS. I am glad to see you.

Mr. McCARTHY. Many years ago before Mr. Payne became so deeply interested in politics and I in the shoe business we were very good people; we were good friends and belonged to the same church. As I say, on account of living in Auburn where Mr. Payne resides all these manufacturers present and a great many others have made life miserable in a sense for me and through me for Mr. Payne, because they have thought "all we have to do to have the tariff removed is to ask Mr. McCarthy to see Mr. Payne and say to him 'scratch this off and that off' and immediately it is done." At least for a number of years they have felt that if I would ask Mr. Payne to grant a hearing on the question of the tariff on hides he would do it, and I would say in the presence of Mr. Payne that while we have been on such friendly terms I feel that I have been a nuisance to him for years, that he has not properly enjoyed his vacations in his home town because I have come so often and asked him if he could not do thus and so, and have felt during the last few years that he has had sort of a dread of seeing me.

There are two points on which I beg to dwell briefly. First, the rebates we get when goods are exported is not generally understood. To you, gentlemen, it would appear a very simple matter that we

get 15 per cent or a certain percentage off on the amount of sole leather that we put into a pair of shoes for export that are made from an imported hide. Now, as far as the manufacture of ladies' fine shoes, such as were mentioned in the telegram from the Sorosis Shoe Company received here to-day, is concerned, the same shoe that we make, and many other manufacturers make, is something like this: We all remember years ago when we were boys that the man who made a wagon made the hub, made the felly, made the spokes for the wheels, and perhaps he made the tires. To-day he buys his fellies from one man, his hubs from another, and his tires from another. With the manufacture of ladies' fine shoes it has come to be generally the case, although not entirely, that they buy their soles already cut in New York, Boston, and the different markets, and it is because of this perhaps that if Dunn & McCarthy and the Sorosis people make a high grade of shoe they want the best sole that comes out of the hide, some other manufacturer in another town wants a cheap sole, and the man who makes a medium-priced shoe wants a medium sole. The price is governed by the thickness and the fineness of quality.

Then we buy the counter, which is the part that stiffens the shoe at the heel. We buy the insole of one party and the outsole of another. How can I, if I care anything about my oath, make a claim on the Government for the shoes I export? Take the cut sole for instance; part of the leather may come from an imported hide and part from a domestic hide. The goods are sorted and put together. They are of different qualities, they are mixed up, and I think one would have great difficulty in deciding on some goods he shipped as to whether one-tenth, one-quarter, or two-thirds were made from an imported hide. Is this not so, Mr. Walter?

A BYSTANDER. It is, sir.

Mr. McCARTHY. Just a moment and I am through. The second point is the case of the "poor farmer." Mr. Payne and myself were both poor farmers.

Mr. BOUTELL. Poor in what sense?

Mr. McCARTHY. Dollars and cents. [Laughter.] While we were at lunch I took a pencil and figured this out. It has been stated here, and I suppose it is so, although I would not myself be positive, that the average hide weighs about 30 pounds. This at 13 cents a pound would be \$3.90, 15 per cent of which would be 58½ cents. Now, according to what my neighbor has said, he is from the West where they are large cattle breeders, in the East and through the Middle States they are not cattle raisers to the same extent. I worked on a farm in Michigan and I have worked on a farm in New York State. There are some large families that are small raisers of cattle and small families that are large raisers of cattle; I was one of a family of ten children and I never knew that we had a hide to sell when I was on the farm, but should say from my knowledge, and I have traveled over twelve or fifteen different States a great deal during the last twenty years, that the average farmer throughout this country does not kill and take to market more than two cattle hides a year. If this is so he would receive on each hide 58½ cents, or on the two hides \$1.17. Let us see what he gets for that. If he has the average family of five—as I say ours was ten—they would wear, we will say, two pairs of shoes a year each, or ten pairs of shoes for the family.

Mr. Jones has shown you what all the shoe people here know, that shoes do not advance in the retail stores 5 or 10 cents a pair. A shoe that is sold when shoes are low to the workingman at \$1.25 when that shoe costs the retailer \$1.10 or \$1.15 the price to the consumer immediately goes up to \$1.50, so that the advance in shoes is so far as our knowledge goes 25 cents a pair. If this raise is made to the farmer who gets 58½ cents on each hide, and each member of his family wears two pairs of shoes a year and he pays 25 cents a pair more for the shoes, he will have lost \$2.50 in the one case and gained \$1.17 in the other, a loss of \$1.33 in the transaction. Now, I have been in the farming business, I have worked in a retail store and tried these shoes on day in and day out, I have been in the jobbing business, have been selling shoes on the road, and have been in the manufacturing business, and believe I understand this pretty well, and I do not believe that there is a man here connected with the boot and shoe industry who is intending to in any way deceive your committee. I think they want you to understand the facts just as they are. It is rather embarrassing for us to sit before you eminent gentlemen, among whom are great lawyers, and be questioned by you. Mr. Spencer is treasurer of the Hamilton-Brown Shoe Company; he is not the man who figures up the cost of their shoes—they have a partner who does that part of the business. So you see it is not always easy to get a direct intelligent answer from the man who happens to be before you.

Mr. COCKRAN. I do not think you need apologize to the committee for Mr. Spencer.

Mr. McCARTHY. I am not apologizing for Mr. Spencer.

Mr. COCKRAN. Any whatever.

Mr. McCARTHY. He can take care of himself at all times.

Mr. COCKRAN. Yes.

Mr. McCARTHY. To go back to the farmer with the family of five who sells on an average two hides each year, he loses \$1.33 instead of making anything. He loses any benefit he might get from that.

Mr. GRIGGS. You are only assuming two pairs of shoes to each member of the family?

Mr. McCARTHY. Yes, sir; that is all.

Mr. GRIGGS. You are the best lot of witnesses we have had here; the best lot of folks.

Mr. COCKRAN. You agree to all that Mr. Jones said as to the changes he desired?

Mr. McCARTHY. I do, sir.

Mr. CALDERHEAD. You spoke about a hide that was 30 pounds weight. What do you mean, a dry hide or a green hide?

Mr. McCARTHY. I understand these are dry hides, and weigh about 30 pounds—the heavy ones. Of course a green hide weighs more than a hide that has been dried out.

Mr. CALDERHEAD. A green hide weighs from 90 to 110 pounds?

Mr. McCARTHY. A green one does.

Mr. CALDERHEAD. Yes.

Mr. McCARTHY. Of course a dry hide does not weigh anything like that.

Mr. CALDERHEAD. That is considered in the price of the steer. As to what I was saying a few minutes ago about the sale of the hides, any thrifty farmer could sell the hide of a cow or steer that was

killed by accident, but the sale of cattle is by the train load or car load, and nobody is bothering about selling a steer; so that the question of whether this tariff is a protection to the producers of cattle or not is a question.

Mr. McCARTHY. I do not know that I understand you.

Mr. CALDERHEAD. The question of whether this tariff on imported heavy hides is a protection to the farmer or not is the question.

Mr. McCARTHY. I think to the farmers numerically it certainly, as I figure it out here, is against them. I say, if you picked out a few large farmers the percentage would be largely to their benefit to have the duty on hides.

Mr. CALDERHEAD. But I do not pick out a few. I pick out the farmers west of the Missouri River to the Rocky Mountains, all of them out there; they are all in one class.

Mr. McCARTHY. Well, you may understand that better than I do. I mean the average farmers, so far as I know them and so far as the western jobbers and the people that talk to me about it are concerned. Of course there are exceptions. With the men that have these large ranches of thousands of acres of land that would be a different matter.

Mr. CALDERHEAD. I have not been referring to those people. I have been referring to the farmers who own a quarter section, or a half section, or a section of land. There are 30,000,000 of these people who live west of the Missouri River and raise cattle in that way and sell them by the carload.

Mr. COCKRAN. You say 30,000,000 people that sell cattle by the trainload?

Mr. CALDERHEAD. Thirty millions of the people live west of the Missouri River, and cattle there are raised and sold by the carload, and not one at a time.

Mr. NEEDHAM. Your position is that if we take this tariff off it will reduce shoes 25 cents a pair?

Mr. COCKRAN. It will reduce the price of shoes?

Mr. NEEDHAM. Yes. That is a different position from what any of the others have taken.

Mr. McCARTHY. I did not say that.

Mr. NEEDHAM. You gave an illustration of a family using ten pairs of shoes a year, and you said that they would get their shoes for 25 cents a pair less.

Mr. McCARTHY. I said when the price went up. If the price was changed and went down it would go in the same ratio, I should say, if they changed the price.

Mr. COCKRAN. If there was any change it would be a change not of 5 or 10 cents, but it would be 25 cents.

Mr. NEEDHAM. Do you think they would reduce the price of shoes any to the consumer?

Mr. McCARTHY. They would either do that or give them a better shoe.

Mr. NEEDHAM. If it took two pairs of shoes to each member of the family a year, what benefit would that be?

Mr. McCARTHY. The benefit would accrue to them in either case, whether they paid less for the shoes or got shoes worth 25 cents a pair more.

Mr. NEEDHAM. There would not be any benefit, would there?

Mr. MCCARTHY. We want to give people good shoes for the money. We want the workingman to have them and the farmers to have them. Before this question came up of a tariff on hides and these prices began to advance there were fixed prices, shoes for \$1.50, shoes for \$2, shoes for \$2.50, and shoes for \$3, and they were getting exceptional values for their money, and the manufacturers dreaded to see the thing disturbed. The manufacturers had gotten their work down to the finest point and the people were getting exceptional values, better than they are getting to-day, because, as I say, if you sell to the jobber, he perhaps sells for a little more, and if he raises his price at all, the retailer raises the price to the consumer 25 cents a pair.

Mr. GRIGGS. Did I understand you, Mr. Needham, to say if a man's family had to have only two pairs of shoes apiece a year that it did not help him if the tariff was reduced?

Mr. NEEDHAM. Two pairs a year, it would not make any difference to him.

Mr. GRIGGS. They would not have to go barefooted quite so long every year, would they, Mr. Witness?

Mr. COCKRAN. You assume that it is better for people to have good shoes than bad?

Mr. MCCARTHY. That they have good values for the money.

Mr. COCKRAN. Exactly.

STATEMENT OF JOHN W. CRADDOCK, WHO RECOMMENDS THE RETURN OF HIDES TO THE FREE LIST.

SATURDAY, *November 28, 1908.*

Mr. CRADDOCK. I appreciate, Mr. Chairman and gentlemen of the committee, the tax which you have been subjected to to-day, and I am going to make my remarks, which I believe are the concluding ones for the shoe trade, as brief as possible, and focus what little light I have got on this question within a very few minutes. The main point of the questions put by your committee appeared to be, first, whether or not the consumer is going to get the benefit of this reduction if the tariff is taken off; second, whether the farmer or cattle raiser does now get a benefit, and if so to what extent he will suffer if it is taken off, and, thirdly, the general effect that a contracted market for raw material has upon business. On the first proposition I want to say that if I did not feel that a reduction in this duty would redound to the benefit of the consumer I would not be here advocating it, and the combined shoe distributing and manufacturing interests of the South that I am speaking for would not uphold it. I am going to take just a moment right on that topic to supplement the point Mr. Jones made and to amplify it very briefly. It seems a very small matter, and it is a small matter, if the consumer only saves 3 to 5 or 8 cents a pair on shoes; but the shoe business is a big industry by reason of the fact, as these gentlemen have explained to you, that it is largely a fixed-price proposition. Take the wage-earner at \$10, \$12, or \$15 a week. When Saturday night comes, a portion of his wage goes for rent and a portion to the grocer's bill, and he walks into the store with a dollar and a half or \$2 in his

pocket, as the case may be, to buy a pair of shoes, and he is not going to consider any other price. That is what he has put aside for that pair of shoes.

When it comes to getting our raw material for less money, we do not propose giving that man that \$2 shoe for a dollar and 90 cents; we are going to give him a \$2 shoe, but the competition in the shoe business is such as to absolutely guarantee the consumer that he is going to get, not 10 cents increased value in that shoe, but, as explained to you by Mr. Jones, he will more likely get 50 per cent more value. First take the \$2 shoe we are putting out at \$1.60 a pair. If we had to take 3 cents per pair out of the outer soles of that shoe to-day, we would decrease its value in wear to the consumer 50 per cent. In other words, in order to produce that shoe at that popular price which fits the laboring man's idea and his pocketbook, we get just about as low in the quality of our outer sole as we can get to give him a good, honest value, and the difference between a second-grade sole, we will say, to illustrate, which we use now, and a fourth grade, which we would be forced to use if we had to pay 3 cents a pound more for that leather, would mean a difference of nearly 50 per cent in the wear of that shoe. Therefore, when you say that if the consumer is to get 3, 5, 8, or 10 cents it is not material, I say it is an absolutely vital matter. As Mr. Jones has told you, the man that wore the \$3.50 shoe, which represented the maximum of value ten years ago, readily goes in and pays \$4 for those shoes, and all of these gentlemen who made famous the \$3 shoe are selling more \$4 shoes to-day than they are \$3.50 shoes. That man can afford it, and he is not hurt by it; but the wage-earner, the farm laborer—my business is done largely in agricultural sections—can not afford to go up. I am making a line of shoes at \$1.60 that retails at \$2. If leather goes up so that those shoes only cost me 3 cents a pair more, I have got to advance that shoe. I will do as is indicated; I will put a little more in it, not so much in the actual value of the shoe as in the outward appearances of it, in the way of trimming, put it up to \$1.70 or \$1.75, and make a \$2.50 retail value of it. The man who buys it will not be getting any more value than he got at \$2; he will simply have had a few trimmings added, so that the retail clerk can have something on which to explain to him that he is getting more than he did in the \$2 shoe.

I am not going to take up much of your time. I have been here all day, and I know what you have been through. There is absolutely no question as to this benefit reaching out to the consumer. There are 1,600 independent manufacturers of shoes in the United States, and the competition is just as free between them as the air from heaven. There is no line of business in these United States that is figured down on so close a margin to-day, considering its magnitude, as the manufacturing of boots and shoes. From 3 to 5 per cent is a fair net profit on the business, 3 to 5 per cent on the volume of business done. So that with that amount of competition, with no artificial barriers to protect the manufacturer of shoes, he is forced to strip to the waist and get right in the fight, and any economy in the production of his article is bound to go to the consumer; that is unquestionable. Within the last year hides have declined so that we made only a 5-cent reduction in the popular shoe we put out at \$1.75. The minute we brought it down to \$1.20 the retail dealer was willing to take that shoe and put it down to \$1.25, because that is

the minimum profit on which the retailer works—25 per cent. That was a condition that was due to the fact that during our recent monetary panic the situation of our packers was very critical, and the hide was the one thing they could force on the market and get money for. It may not be known that the packers are large borrowers of money in the open market.

I think I have made myself clear, and I will get along to the other question, as to the benefit to the farmer, whether or not he gets really this tariff tax. The gentleman from the West, where they have great ranches and where they do sell cattle by the carload, spoke of this. For the sake of argument we will grant that there is a probability of that man getting some benefit. As Mr. Jones has pointed out, there has been no proof to establish that fact, and all the circumstances and the actual data as to the prices of cattle on the hoof, and the price of hides, go to show that the two have no relation to each other at all; and from the very nature of things, when we all know that the packer or butcher goes into the market and buys cattle on the hoof in response to the demand for beef, and not with reference to the hide prices, that appears to be borne out. Hides are one of the most peculiar products that I imagine your committee has to deal with. No amount of protection stimulates the production. The hide is an item of commerce that is in a class entirely to itself so far as I have been able to observe. Wool is one of the principal products of sheep raising. It is a by-product in a sense, but it constitutes the profit of sheep raising, largely. With the hide it is different. As far as we can figure out, even in the case of the ranchman, the big cattleman—and he is in a very small minority; he is less, I dare say, in number than the shoe manufacturers in the country—it is not shown that he gets any benefit.

Now, take the fellow from the 25 older States east of the Mississippi River, and those of us who are familiar with conditions know that Mr. McCarthy has not stated it far wrong when he says that the average number of cattle sold by a farmer would be two or three, and maybe two more likely than three. That man butchers the cattle for his own use or sells them to the local butcher. When the local butcher buys an animal he does not know when the collector of hides is coming around; he has no idea what that hide is going to be worth when he sells it. When the farmer butchers a steer himself, probably the hide goes up in the loft of his barn and is not sold for six months. There is no connection between the sale of that steer or that cow and what that hide is going to bring.

The system of collecting these hides is for some dealer in a central point, say Cincinnati, which is the center for quite a section there, to go out once a month or once in sixty days and make a trip around to the local butchers for these hides that they have collected in the meanwhile. It does not bear directly on the cost the farmer gets for the animal. Now, the farmer not only buys shoes, but the farmer is also the biggest user of leather in the country. We all wear shoes. He buys harness and he buys buggies and he buys saddles, and those things are made largely out of heavy hides. The cattle that the farmer kills are not protected. I venture to say that 80 per cent of the slaughtering done by the farmer is of the younger cattle, the calves and yearlings, and so on, that do not come under this protection at all.

I will try to make good and not keep you but a little while longer. A peculiar condition has grown up in the shoe and leather and hide business. It has been referred to here frequently and elaborated on to a considerable extent, and I just want to refer briefly to it. I speak of the change in conditions that has taken place in the last ten years since this tariff has been on toward monopolizing, first, the collection and the selling of hides, and secondly, leather. We do not want to say anything harsh about the packing interests, but it is a fact that those gentlemen are supposed to take off 50 per cent of the domestic hide production. They are known, and it is a fact that they have their agents abroad in all the districts collecting hides. They are absolute masters of the situation in the hide business. When you own 50 per cent of the industry in which 100 per cent is in demand all the time, you are just as much master of the industry as if you owned it all, and they are absolutely masters in the hide business. They are going largely into the leather business. They know if the time comes when there is no accumulation of leather in this country it is easy to say that with your rebate of 50 per cent on your leather made from foreign hides they can reduce this 10 per cent on export leather, not only to a point equal to the drop, which is 5 to 10 cents a pound, but they can carry it further than that and reduce it 5 cents a pound in order to maintain a higher level at home. So that when you figure out you are saving the consumer by this 5 cents a pound you do not know what you are saving him.

Just one word on that point: Twenty years ago, and in fact up to twelve years ago, the shoe and leather business were among the most stable and conservativé lines of trade you could mention. Now, I tell you, it is just as gamy and sporty as a seat on the Stock Exchange in New York. [Laughter.] We have seen hides go up in the last nine months from 40 to 60 per cent. There is no other commodity that can be mentioned that has shown the fluctuation in the last twelve months that hides have. No thoughtful man can say, with the supply remaining about a fixed quantity and the demand dull (because it has been dull) in shoes and leather for the last nine months, that there is any reason for an advance of from 40 to 60 per cent in the primary market, other than manipulation.

Those are facts, gentlemen, and all we are pleading for here is this: It impressed me that the tanners were a little timid and modest in their requests, but all we are pleading for here is a free market in which to do our business. We are in straits. The shoe business is one that America ought to be proud of. The rest of the world take off their hats to us. They have come over here and adopted our machinery. There is hardly a day or a week that some European or English manufacturer is not over here studying our methods; and they are making headway. And why should they not make headway when we are holding an umbrella of 15 per cent over them? Their buyers come right into New York and Boston and buy their sole leather at 15 per cent hide value less than our home manufacturers buy it. In the face of that, these gentlemen have gone abroad and built up an export trade in finished shoes of \$11,000,000. They have done that in spite of this tariff. What will they do if you give them a free hand?

We exported \$22,000,000 worth of upper leather last year. Every foot of it ought to have been manufactured into American shoes; and

instead of \$22,000,000, it ought to be exported at the rate of fifty or sixty million dollars of finished goods, which it would amount to, adding the sole leather and the labor to it. It is a proposition that seems to us to have but one side to it.

I am going to "make good" by bringing my remarks to a close right there, except with this statement [laughter]—I am not playing for time. This is simply a question of—

Mr. COCKRAN. Go ahead.

Mr. CRADDOCK. This agitation for the repeal of the hide duty, as I have seen it in the past years, has met with very little encouragement, by reason of the prevalence of a general impression that New England wanted all free raw materials and great protection on her manufactured articles, and that this was primarily a New England proposition. I want to say something that I do not believe has been stated in these exact terms here to-day: That New England represents a minority in the shoe-leather business to-day—a minority interest of the whole United States. The growth of this business in such cities as St. Louis and Chicago and St. Paul and Milwaukee—and it has extended throughout the South—is remarkable. We are not here asking for favors. Understand me. We are simply asking to be relieved of a handicap, and one that is not sound in principle from any standpoint. It does not stimulate the industry of raising cattle, because they are raised for beef. It does not put revenue in the Treasury of the United States to any extent. It does not help the farmer. It is a handicap that we have to pay on the whole \$150,000,000 or \$160,000,000 worth of hides we buy. The level of values of the whole domestic proposition is in some measure fixed by this 15 per cent.

We are appealing to you as the whole interest of the United States—not as New England, not as the Northwest, not as the Southwest, not as the South, but as all combined—to help a truly American industry that never has sought any protection. This 25 per cent, and the present duties on hides and leather, were really put there voluntarily when this duty was put on hides, in a measure. The trade has never sought it to any extent. I stand subject to correction on that matter to a certain extent; but as long as I have been identified with the business I have never known the shoe manufacturers of this country to be clamoring for any protection.

But if you will pardon me for just a word there, I am in accord with the position taken by the gentlemen who have preceded me—that in my individual opinion the shoe business has developed to such an extent that we can stand alone without protection. But I want to qualify that by this statement: Protection is the policy of this country. That being the case, and the fact being known that we are handicapped in the sale of our goods by a tariff in France, one in Germany, one in Australia, one in Cuba, and England as far as I know being the only free country, there is not a necessity for taking the tariff entirely off of shoes. That is largely because of the results that have been brought about by the introduction of American machinery—and that means more than the mere statement signifies. What has revolutionized the shoe business of the world has been the machinery controlled by the United Shoe Machinery Company of this country, which is a "machinery trust," as you might call it, but it is protected by patent rights. It is what is regarded as a legal

trust. Those people not only go to England and sell their machinery, but they send American experts there to stay right with it—not for sixty days, but for all the time. They are there permanently improving the European facilities for making shoes. The labor price per man in this country in the shoe-making industry is, of course, very much in excess of what it is abroad. All of you gentlemen caught that proposition, I hope—that the net labor cost of our shoes up to this time has not exceeded the labor cost of the European shoe; but with these added facilities, with these borrowed American ideas and methods and machines, it is questionable in my judgment whether it is desirable to take all the duty off. I stand, though, as far as my personal position in the matter is concerned, willing to do it.

Mr. UNDERWOOD. May I ask you a question? You would prefer to have the leather trade absolutely free if you could get free hides, rather than stand existing conditions?

Mr. CRADDOCK. Certainly.

Mr. UNDERWOOD. It would improve your trade conditions for us to give you free hides and give free competition with the world?

Mr. CRADDOCK. That is absolutely apparent; yes.

Mr. UNDERWOOD. There is one other question I should like to ask you as to the trade conditions. Suppose this committee should determine to write a minimum and a maximum tariff for the purpose of developing foreign trade, and should put the minimum rate absolutely at free trade and the maximum rate a degree above that, so that we could say to foreign countries that gave you free admission of shoes that we would give them free admission of shoes or something else, and if they put their tariff against your shoes we would put our tariff against their shoes—would not that be the ideal condition for you to establish your business?

Mr. CRADDOCK. In my judgment, yes.

Mr. BOUTELL. One or two questions: Do you know, Mr. Craddock, whether or not there is a leather trust?

Mr. CRADDOCK. As to sole-leather tanners, there is the United States Leather Company, commonly spoken of as "the trust." As I understand it, it is generally accepted that they produce about 70 to 80 per cent of the hemlock-tanned sole leather. That is largely sole leather from imported hides—dry imported hides—and they possibly control from 70 to 80 per cent of that product.

Mr. COCKRAN. Have you any idea how much of the native product they control?

Mr. CRADDOCK. I was speaking of their leather product, which, when it is made, is all leather, you know, and is all domestic product; but I say that the hemlock leather is largely made from dry hides. I should say that out of the packers' hides, the domestic hides, the green hides, they probably made 40 per cent. I shall have to shield myself behind the qualification that I am not directly connected with the tanning business.

Mr. BOUTELL. The reason I asked you that question, Mr. Craddock, was this: In speaking of the price of leather to the manufacturer you spoke of the influence of the "meat trust."

Mr. CRADDOCK. Yes.

Mr. BOUTELL. But I noticed that you refrained from saying anything about the leather trust.

Mr. CRADDOCK. Yes.

Mr. BOUTELL. And some four or five years ago I remember seeing, in an alphabetical list of the trusts in the country, covering several pages, and issued under quite distinguished, and I have no doubt trustworthy, authority, two trusts—the meat trust and the leather trust. So I took it that there was one trust that handled the original raw hides, in the estimation of these compilers, and then another trust that handled the tanned leather. And I wanted to know from a manufacturer, if possible, what the truth was about the leather trust, which would be the trust that would dictate the price that you paid for leather.

Mr. CRADDOCK. Yes. Very probably I can answer that question in such a way as to meet your requirements without being positive. I do not think it is definitely known to what extent the Armour interests are controlling factors in the United States Leather Company. It is known that they are a very large factor in it. The United States Leather Company, while making, say, from 70 to 80 per cent of one class of sole leather and 40 to 50 per cent of another, might not be termed a trust in reality, but, as a matter of fact, they do practically set the price for sole leather in the United States. If trade is a little dull, the independent man comes just a fraction under their umbrella. He just bends his head enough to get under it. But with active trade, such as we have had in leather, for the most part, for the last five years or more, I think the larger manufacturers here, some of whom have had more experience than myself, will agree that the United States Leather Company practically fixes the price of sole leather.

Mr. BOUTELL. This is quite a new truth in this investigation. So that the price of manufacture of leather is fixed by this so-called "leather trust" and not by the meat trust?

Mr. HILL. It is all the same thing.

Mr. CRADDOCK. I do not know that I am in a position to answer that question, Mr. Boutell, further than to say that in a commodity that has been in very active demand, protected by a 25 per cent tariff, the home consumption being right up to the supply and the foreigners relying upon this market for a part of their supply, the United States Leather Company have certainly been in a position to practically—not absolutely, but practically—fix the price of their grades of sole leather. They do not go into the oak and belting butts to any great extent, that some of these gentlemen spoke of here, such as Mr. Lees, from Philadelphia, but as to hemlock sole leather, which takes in a wide range of foreign leathers, large lines of union or slaughtered leather made from domestic hides, packers' hides, I should say that they really made the market.

Mr. BOUTELL. And your means of information about these two organizations to which you refer—the leather trust and the meat trust—are as accurate in one as in another—that is, you have no fuller information about one than the other?

Mr. CRADDOCK. No, sir; I should not say that I had. I know the facts to exist. It is a matter of public record that the Armours are stockholders and directors in this company, and it is a matter of current belief that they in a large measure control or indicate the policy of the United States Leather Company. I am just stating what is commonly understood.

Mr. CALDERHEAD. You stated that about 80 per cent of the cattle slaughtered are calves and young cattle, did you not?

Mr. CRADDOCK. No, sir; I did not. I beg your pardon. My statement was this: That, in my opinion, among the general run of farmers east of the Mississippi River who were not primarily cattle growers, but were agriculturalists or farmers, the majority, probably 80 per cent, of the cattle that they killed on the farm for home consumption were the small animals, on which this duty does not apply.

Mr. CALDERHEAD. There is no duty on their hides?

Mr. CRADDOCK. No, sir.

Mr. CALDERHEAD. Do you know the number of cattle slaughtered in the packing houses of Chicago, Kansas City, and Omaha?

Mr. CRADDOCK. The four or five principal markets, I think, slaughtered 6,400,000 head, or about that, last year. I should say that about 8,000,000 cattle are slaughtered by the packers.

Mr. CALDERHEAD. Those are all heavy cattle, for meat-packing purposes?

Mr. CRADDOCK. As a rule, yes; although they slaughter a great many calves; but in these figures I gave you the calves are not included. They do slaughter a great many calves a year—several hundred thousand.

Mr. CALDERHEAD. These are 3 and 4 year old steers with heavy hides?

Mr. CRADDOCK. The majority of them, I take it, are these native steers. There are half a dozen classifications of steers.

Mr. CALDERHEAD. I understand.

Mr. CRADDOCK. There are Texas, Colorado, butt brands, and so forth, so far as the hide classifications are concerned. Of course, there are something like half a dozen classifications of steers. They count the calves separately. The packers kill a great many calves. They butcher a great many calves. Their numbers run into hundreds of thousands.

Mr. CALDERHEAD. Do they not run into millions?

Mr. CRADDOCK. I think it approximates a million. Could Mr. Vogel say what the slaughter kill of calves was?

Mr. VOGEL. I do not know.

Mr. CRADDOCK. My recollection is that for a year or two past—that is, for a couple of years ago—it ran up to about 700,000 calves.

Mr. CALDERHEAD. What proof is there that the tariff on this 6,000,000 of cattle slaughtered in the packing houses does not go to the benefit of the farmer that produced the cattle?

Mr. COCKRAN. Do you mean the tariff on the hides?

Mr. CALDERHEAD. Yes; the tariff on the hides.

Mr. CRADDOCK. The operation of it is this, in my opinion: That if (as is the case at present, as I understand it) the packers have an abundant supply of beef they are not going to go into the market and pay a good, full, round price for beef cattle, although at that same time hides may be up a cent or 2 cents a pound. That would not induce the packer to continue to slaughter beef cattle and pile the beef up simply because the hides were higher. And, as Mr. Jones explained this morning, the very time that there is the largest slaughter of beef is the time that the prices are highest for these cattle. The very time when the farmer is reaping his harvest, selling his cattle on the hoof at high prices, is generally the time that hides are lower, because the larger kill of cattle makes a larger sup-

ply of hides and depresses the market somewhat. Does not that answer your question?

Mr. CALDERHEAD. The consequence of that is that the farmer gets nothing. The farmer who furnishes the cattle gets no benefit.

Mr. CRADDOCK. You will probably recall that I started out with the statement that I did not announce it as a fact that the ranchman got no benefit from this tariff; but as far as I have investigated the subject (and I have gone into it very carefully and have studied it for years), there is no proof that the farmer gets any higher price for his cattle on the hoof by reason of this 15 per cent tax. We have the market quotations of hides and beef side by side, running over twelve years, and oftener than otherwise when beef cattle are higher hides are lower.

Mr. CALDERHEAD. I think you might as well say the same thing concerning the manufacture of shoes.

Mr. CRADDOCK. We do not ask for any protection. It is very much like it is on cotton.

Mr. CALDERHEAD. It very often happens that when the price of cattle is low the price of shoes is high.

Mr. CRADDOCK. Not when hides are low, though; I beg your pardon.

Mr. COCKRAN. Mr. Craddock, just to make clear that matter that Mr. Calderhead has discussed with you, let me ask you this question: As a fact, the price of hides can not enter into the price of cattle, seeing that the major article that the cattle produces is beef; and the price of any article or any commodity is measured by the quantity—

Mr. CALDERHEAD. Just a moment, right there. Mr. Craddock, is that a fact or an assumption?

Mr. COCKRAN. It is a fact, I think.

Mr. CRADDOCK. It is a fact, not to be proved by a mathematical demonstration, however.

Mr. CALDERHEAD. Of course.

Mr. CRADDOCK. But a fact that in economics is true.

Mr. COCKRAN. Let me say this, then: As a matter of fact—because we must get down to facts to meet Mr. Calderhead's niceties of expression—is there, in all the world (in Chicago, Omaha, Kansas City, or any city of packing activity, or any other civilized or uncivilized community on the face of the earth) a market for hides on the back of an animal? Did you ever know of an animal being sold for its hide?

Mr. CRADDOCK. No, sir.

Mr. COCKRAN. When an animal goes to the market, it does not go there as a source of hides, but as a source of beef. Is not that so?

Mr. CALDERHEAD. Just a moment.

Mr. CRADDOCK. Yes; and furthermore, if you will watch the prices of beef—

Mr. COCKRAN. I am coming to that.

Mr. CRADDOCK (continuing). You will notice that the shipments of cattle increase simultaneously as the price of beef goes up, regardless of whether hides are up or down.

Mr. COCKRAN. Exactly. In other words, the value of beef is the controlling element in the value of cattle, is it not?

Mr. CRADDOCK. Unquestionably.

Mr. COCKRAN. That is why, except perhaps in Kansas—I do not know what may happen out there—but that is why anywhere else

among civilized human beings the value of cattle is determined by the price of beef? [Laughter.]

Mr. CALDERHEAD. Just a moment, right there. We do not raise any cattle without hides.

Mr. COCKRAN. No, no; but when you come to fix the value of cattle it is the value of the beef that determines it, is it not?

Mr. CALDERHEAD. Oh, surely. That is a very large element, but it is only a part of it.

Mr. COCKRAN. "A very large element, but only a part," might answer a description of $99\frac{9}{10}$ per cent.

Mr. CALDERHEAD. Oh, no.

Mr. COCKRAN. As a matter of fact, Mr. Craddock, in the purchase and sale of cattle on the hoof, you state this, if I understand you, that the demand is determined by the demand for beef?

Mr. CRADDOCK. The price is determined by the demand for beef; yes, sir.

Mr. COCKRAN. Yes. When the price of beef is high the slaughter of cattle is extensive?

Mr. CRADDOCK. Yes.

Mr. COCKRAN. You have stated several times that the price of hides was high and the price of beef low.

Mr. CRADDOCK. Yes, sir.

Mr. COCKRAN. Did you ever know, in your experience, of a demand for cattle being stimulated by a high price of hides and a low price of beef?

Mr. CRADDOCK. I never have, sir. I do not think it can be shown.

Mr. COCKRAN. So that when you say that this tariff rate upon hides can not appreciably affect the value of cattle on the range, you mean because the disproportion of value between the hide and the carcass is so great that what would affect one would be a negligible quantity, while what would affect the other would be a very important factor? That is what you mean to state, is it not?

Mr. CRADDOCK. That is it, sir.

Mr. CALDERHEAD. Mr. Craddock, do you and the other gentlemen mean that the ranchman gets nothing for the hides?

Mr. CRADDOCK. I have never stated that; but if he does, I do not think it can be demonstrated by actual market conditions.

Mr. CALDERHEAD. No.

Mr. CRADDOCK. Nor by economics.

Mr. CALDERHEAD. You mean that he gets about the same thing that he would for the horns and the hoofs and things of that sort?

Mr. CRADDOCK. No. Here is the reason, if you will permit me, that I say that: Not only because it is borne out by the actual market quotations on beef and hides, but, as a matter of fact, when the packer buys that steer on the hoof he really does not know what the hide market is going to be when he sells it. It takes quite a time to salt and cure that hide. It goes through a curing process. They frequently carry those hides in their cellars six months; and it is not a question of the cost now. The supply is supposed to be low now, but last fall there was an accumulation. Hides did lie in the packers' cellars for six months. Now, how could that man fix his price on the live steer by reference to the market price of hides months in the future?

Mr. CALDERHEAD. But do you suppose the packer buys cattle to-day with reference to the price of meat to-morrow?

Mr. CRADDOCK. Very largely; yes, sir; because the fluctuations are almost daily.

Mr. CALDERHEAD. It is usually six months before he realizes on that meat, is it not?

Mr. COCKRAN. Do you mean that he keeps his meat for six months before he sells it? [Laughter.] This is another revelation.

The ACTING CHAIRMAN (Mr. Dalzell). I do not know that Mr. Craddock need be here to settle a dispute between you and Mr. Calderhead. I think that is all.

Mr. CRADDOCK. Thank you.

STATEMENT OF CHARLES KIPER, OF CHICAGO, ILL., REPRESENTING THE WHOLESALE SADDLERY ASSOCIATION OF THE UNITED STATES WHICH WANTS FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. KIPER. Mr. Chairman and gentlemen, we appear before you as the representatives of the Wholesale Saddlers of the United States, most respectfully to ask that the hides of cattle be restored to the free list. By "saddlery" I mean harness—harness as well.

Mr. COCKRAN. What duty do you pay on your saddlery?

Mr. KIPER. I beg pardon?

Mr. COCKRAN. Do you not know the rate of duty on saddlery?

Mr. KIPER. On saddlery?

Mr. COCKRAN. Yes.

Mr. KIPER. What do I understand your question to be?

Mr. COCKRAN. What rate of duty is imposed on your finished product?

Mr. KIPER. On our finished product?

Mr. COCKRAN. Yes; on the saddles?

Mr. KIPER. On the goods we make usually the duty cuts no figure at all.

A duty of 15 per cent on cattle hides is not only obnoxious but burdensome to the manufacturers of harness and saddlery goods for the reason that all saddlery leather is manufactured exclusively from "adult" cattle hides, while at the same time the hides of the young critters are admitted duty free through a ruling of the Treasury Department of the National Government.

It is a well-known fact that the hide market of this country is largely controlled by the packers, and that they have become a great factor in the tanning business as well. The removal of the duty would doubtless stimulate the importation of foreign hides, thereby affording the independent tanner a wider field for the purchase of raw material and thus lessen the likelihood of manipulation in the price of hides by the packers.

Statistics will show that the price of hides have advanced about 40 per cent during the past nine months, despite the fact that the demand for leather goods has been much below the normal, which indicates that the price of hides has been manipulated.

The restoring of cattle hides to the free list would not only benefit the leather manufacturing industries of the country, but would also

directly benefit all consumers of leather goods who are now paying tribute to the beef trust.

We beg to submit the following resolutions adopted by the Wholesale Saddlery Association of the United States in annual convention assembled :

Whereas by an apparent accident of caucus legislation in 1897 Congress imposed a duty on hides of cattle; and

Whereas no considerable number of citizens have ever demanded the duty or have shown that they were benefited by its operation; and

Whereas the harness industry is adversely affected by said tariff on hides, especially in that it discourages the importation of the heavy hides required for harness leather, which are becoming scarcer each year as the farms encroach upon the ranges; and

Whereas it has been made known to this association that a movement is on foot the object of which is to combine the harness, saddlery, shoe-leather, and leather-beltiug manufacturers and all other interests affected in a joint effort to procure the repeal, at the coming session of Congress, of the law imposing a duty on hides: Now, therefore, be it

Resolved, First, that the Wholesale Saddlery Association of the United States, in annual session assembled, hereby requests Congress at its next session to remove the tariff of 15 per cent ad valorem upon hides of cattle, for the reason that its operation has restricted the supply and increased the price of the raw material that enters into our product without incidental or compensating advantage to anyone; and

Resolved, Second, that the Wholesale Saddlery Association of the United States hereby favors and approves the combined effort about to be made to procure the repeal of the law imposing a duty on hides of cattle.

All of which is respectfully submitted.

Mr. UNDERWOOD. If the duty is taken off of hides, and you have free hides, would it be satisfactory to your business to take the duty off of saddles and saddlery leather in your business?

Mr. KIPER. So far as the great majority of the goods are concerned, 95 per cent or more of the goods that are made by the American manufacturers of harness and saddlery, I should say that the removal or the retention of the duty would make absolutely no difference whatsoever. That is for the reason that the great bulk (I am safe in saying more than 95 per cent) of the goods made by the American manufacturers are not made abroad, mainly for the reason that the styles and classes of goods that are used by our consuming masses, such as the farmer and the ranchman, are not made in Europe; and even if the European manufacturers cared to make them, we would not fear their competition. There are, however, a few goods that are made abroad, mainly in England, on which the English manufacturer has a decided advantage over the American manufacturer. I refer to the high-grade English, or what we term in the business *seamed*, riding saddles, and riding bridles. There are some of those goods imported, but those goods are—oh, I might say less than 1 per cent, or not to exceed 2 per cent of the total business of the country. They are usually purchased, not by the masses, but by the class of people who are wealthy, and who are willing to pay the price; and I believe that the removal of the duty would not stimulate the demand at all.

Mr. UNDERWOOD. Then you regard that portion of the duty as purely a matter of revenue?

Mr. KIPER. That is a matter of revenue, and I should say that that was more of a luxury than a necessity.

Mr. UNDERWOOD. That is to be considered from the revenue standpoint of the bill, and not from the standpoint of protecting your industry?

Mr. KIPER. Not in the least. I am safe in saying that we American manufacturers have nothing to fear from European competition on the great bulk of the goods that we make. The duty that now exists is merely a nominal affair, anyway, and cuts no figure whatsoever.

Mr. UNDERWOOD. So that if you get free hides you will be perfectly satisfied with whatever else is done with the bill?

Mr. KIPER. My opinion is that the restoring of hides to the free list would be a benefit to the consuming masses who buy our goods. We ask for no protection on the bulk of the goods that we make, with the exception, as I say, of those exceptional articles.

Mr. COCKRAN. There are just a few foreign saddles and bridles imported?

Mr. KIPER. Yes.

SUPPLEMENTAL STATEMENT OF JOHN H. HANAN, NEW YORK CITY, RELATIVE TO HIDES AND SHOE MAKING.

SATURDAY, *November 28, 1908.*

Mr. HANAN. One of your committee asked two questions to which, I take it, he did not get a satisfactory answer. One was in regard to the extent to which the American shoe found a foreign market. I regret that Mr. George Keith has stepped from the room, because he could answer that question very well. But speaking for myself and for Mr. Keith, both of us, I believe, export into 40 different foreign countries.

The other question was as to why or how the selling of shoes at a fixed price became an established custom in the shoe trade. I think I can explain that when I refer you back to the time, perhaps twenty-five years ago, when a certain manufacturer commenced advertising a \$2.50 shoe. He advertised it very extensively in the public press and in the magazines all over the United States. He was successful; and, like all successful enterprises, he soon found imitators. As the price of leather advanced, along with the advanced cost of labor, that same shoe was raised to and advertised at \$3; and finally, with a still further advance in leather, practically the same shoe (or possibly a trifle better shoe) was advertised at \$3.50. That shoe was so extensively advertised all over the United States, and the claims made for that shoe by the advertiser were of such an extravagant and I might say (to put it politely) unreal nature, wherein the advertiser claimed that he was retailing a \$5 or \$6 shoe at the wholesale price of \$3.50, when we who were in the trade knew that the wholesale price of the shoe was \$2.75, that it was not long before he had an imitator who did precisely the same thing, and made the same iniquitous or outrageous claims for his wares.

That state of affairs existed for quite a long time, perhaps five or six years, and there was no one who disputed it. Finally something occurred in Boston as a result of which that situation, with regard to the advertised shoe being sold, or retailed, at a wholesale price, was publicly attacked. The result was that very soon after both of

the advertisers ceased to make this unreasonable and fraudulent claim for their goods—that they were being retailed at wholesale prices.

These shoes were advertised to such an extent, as I said before, in every newspaper throughout the country and in the magazines that the effect of that kind of advertising of a shoe from \$2.50 to \$3 and \$3.50 had its effect upon the merchants throughout the country. It was done so extensively that the average retail merchant was almost afraid to stock his store with anything excepting something below \$3.50. That had a most iniquitous influence upon the entire shoe trade and drove all of us who are manufacturers to consider that proposition. The result of it was that manufacturers, for the last ten years or more, up to within a year, have been forced down; they have been forced to see how cheap a shoe they could possibly produce to meet the claims of this kind of advertising. That, I feel, has been one of the reasons why this system of selling shoes at a fixed price has become so prevalent; and I believe that it is likely to remain so.

Mr. BOUTELL. That is all very interesting, except the explanation how the arrangement is made between the manufacturer and the jobber and the retailer.

Mr. HANAN. It is the manufacturer that does this himself. I am speaking now of the man who makes the shoes and retails them himself.

Mr. BOUTELL. Yes.

Mr. HANAN. Some of these same manufacturers who have made this outrageous claim for their goods are wholesale distributors as well. They run their own stores; but at the same time they sell to the trade, to the retailer, to sell again.

Mr. BOUTELL. Where you see one brand of shoes advertised all over the United States at the same price at different retail stores, how is that arrangement made between the manufacturer or jobber and the different retailers?

Mr. HANAN. The advertising manufacturer controls a chain of stores. Some of them have a hundred or more. Those stores are scattered broadcast throughout the land; and, as I said before, they are very extensively advertised. The stores are well located, on the most prominent corners, and that has its influence. The other retailers in the same cities must in order to meet that influence, cater largely to that class of business.

Mr. BOUTELL. Then the explanation of what I was trying to arrive at is very simple—that the wholesalers and jobbers do not sell these shoes to other retailers, but retail them themselves?

Mr. HANAN. There are very few wholesalers that I know of that control retail establishments. It is principally the manufacturers who control retail establishments.

Mr. COCKRAN. It seems to me that that does not answer Mr. Boutell's question.

Mr. HANAN. How is that?

Mr. COCKRAN. Mr. Boutell calls your attention to a fact which is very conspicuous—that certain shoes are sold at the same price everywhere.

Mr. HANAN. Yes.

Mr. COCKRAN. All over this country?

Mr. HANAN. Yes.

Mr. COCKRAN. He wants to know, now, how it is that the manufacturer is able to impose upon the retailer the same price everywhere for that particular shoe.

Mr. BOUTELL. I understand his explanation of it to be that these apparently retail stores, kept, we will say, by John Smith and William Jones, are not such, but are retail establishments run by the manufacturer, with a salaried agent.

Mr. COCKRAN. No; he said he also sold to others.

Mr. HANAN. He does; and the retailers in the different localities where these stores are operated by manufacturers in turn seek a shoe of equal if not better quality to sell at the same price.

Mr. COCKRAN. That does not explain, Mr. Hanan, how it is—just answer Mr. Boutell's question—that the manufacturer is able to control retailers everywhere; so that they will all charge the same price for his shoe. Why do not some charge more profit than others?

Mr. HANAN. I do not know, Mr. Cockran, that that state of affairs exists.

Mr. COCKRAN. Take one shoe; if you will allow me to use a name—Mr. Boutell, I presume, will allow me—take the Douglas \$3.50 shoe or \$3 shoe, or whatever it is.

Mr. HANAN. Yes.

Mr. COCKRAN. I have seen that all around this world, as well as all around this country. I have been able to escape all manner of things in the sky and even under my feet, but I never could escape the Douglas \$3.50 shoe. Wherever I went, and whatever town I visited, I always found there an English advertisement of Douglas's \$3.50 shoe; and everywhere it was sold at exactly the same price.

Mr. HANAN. Well, Mr. Cockran, I believe—

Mr. HILL. It sells for \$4—

Mr. COCKRAN. But I say, you find it sold at the same price everywhere.

Mr. HANAN. I can tell you what I believe to be the fact with regard to Mr. Douglas's business, although I can only state my belief; but, at the same time, I think that you will find my belief to be borne out by the facts: I believe that Mr. Douglas stipulates with every retailer who buys his shoes that he shall not sell them for more nor for less than \$3.50.

Mr. COCKRAN. Yes; that is the explanation. Is that a habitual thing in the trade?

Mr. HANAN. That is a habitual thing in the trade, in so far as the manufacturer who is operating retail stores is concerned.

Mr. COCKRAN. Suppose he is not? I suppose there are other shoes in the trade as well known as the Douglas shoe, but I mention that because it seems to be the most advertised.

Mr. HANAN. Yes.

Mr. COCKRAN. Any manufacturer who identifies himself with a particular shoe must, in the nature of things, exact from the retailers an agreement that they will not undersell other dealers who sell the same shoe?

Mr. HANAN. To a certain extent that prevails. In my own line of business I would like all of my customers to sell the shoe at a certain price; but I can not control that, because certain retailers can afford to sell for a less price than others. The expenses of a retailer who occupies a very expensive store in a large city are larger in proportion

than those of a man who sells shoes in a country store. Consequently, the small country dealer can afford to retail at perhaps a gross profit of 25 per cent, where the retailers in large cities, where they have expensive stores to retail from, are obliged to get, perhaps, 30 per cent gross profit.

Mr. COCKRAN. But that is set by the manufacturer, is it not?

Mr. HANAN. No; it is not set by the manufacturer what the shoe shall be retailed at, except by the man who controls a shoe that is advertised to be sold at a fixed price. He stipulates to the retailer that he shall not sell that shoe for more nor for less than \$3.50. He wholesales it to him at \$2.75. There are some manufacturers that, I believe, are stamping a shoe \$5 or \$4 or \$3.50, and trying to build up a trade by advertising that shoe themselves in the public press and the magazines, and finding a market for it among the retailers, stipulating that if they buy that shoe they must retail it at a certain fixed price; and that fixed price is generally stamped upon the sole of the shoe.

JOHN E. WILDER, OF CHICAGO, ILL., REPRESENTING THE TANNING INTERESTS, ASKS FOR FREE HIDES.

SATURDAY, *November 28, 1908.*

Mr. WILDER. Mr. Dalzell, if you will excuse me, there are three briefs to be presented, and just one word in closing for the National Association of Tanners. My name is John E. Wilder, of Chicago, sir—a gentleman who, I think, has made life miserable for most of you gentlemen for the last few weeks.

The National Association of Tanners, in presenting its brief through Mr. Vogel, its president, desires also to file, without discussion, one of our "free-hide text-books," as containing further arguments as to why the duty on hides should be removed.

(The book above referred to was filed with the committee.)

Mr. WILDER. I have here, gentlemen, a letter from the Shoe Travelers' Association, of Chicago—a body of men numbering somewhere between 700 and 1,000 of the "boosters" of Chicago. I will file this brief without reading it, although it is bristling with that beautiful optimism and enthusiasm which makes our western salesmen the true emissaries of commerce, to whom we can not pay too high a tribute.

REASONS FROM A SALESMAN'S STANDPOINT WHY THE DUTY SHOULD BE TAKEN OFF OF HIDES.

We have originated styles and made a demand in all parts of the world for American-made shoes. The manufacturers have respected the wishes of the salesmen representing them in their respective territories in regard to the particular styles needed, and through this channel of broad-gauged effort have made footwear to meet the demands of the people, not only in the United States, but in most of the foreign countries.

Recently the production has been to a great extent on patent stocks and calfskins in the better grades of shoes, which has made a hard proposition for the manufacturer, and in turn, the salesmen are compelled to face conditions which the manufacturer can not avoid. Conditions to-day are very favorable to calfskin stocks; and if the manufacturer could be placed in a position where

he was able to grade his shoes to better advantage, it would be a great help to the salesman and the customers would receive better goods.

The sole-leather proposition has been a hard one for the manufacturer, as it has been very poor in the past five years, and no doubt the salesman would be benefited in this case if the duty was taken off of hides, as conditions would be more favorable for the tanners to get selections of hides, which would enable them to furnish a better grade of leather.

We have made the conditions as regards machinery, labor, leather, and style such that no country can equal the American-made shoes. With these conditions, and assuming that we will continue to make the same strides in years to come, we think that Congress would do well to respect the demands of the National Association of Tanners, to assist them in making conditions which will favor the industries that the manufacturers of shoes have made in the United States. We are in favor of conditions that will assist the manufacturers and tanners to continue the good work that has already been done to secure the greatest possible market for American-made shoes.

The manufacturer must make shoes to fit every pocketbook, and in order to do this he depends upon the tanners to make the leather at such prices as will enable him to make shoes at a profit, as no manufacturer can exist without some profit on his output.

The salesman will gladly welcome anything that can be done to enable the tanners to make leather which will help to make conditions easier to grade our shoes to the standard that is expected of American-made shoes. Manufacturers have been accused of skinning the shoes. They have not done this because they wanted to do it, but were compelled to make shoes to fit the pocketbook. Conditions which will help them to avoid this are the conditions for which the Association of Tanners will ask.

To-day we have many large shoe factories, with outputs of from one thousand to ten and twelve thousand pairs, whereas a number of years ago the output was much smaller.

There is no reason why the demand for American-made shoes should not continue, so it is reasonable and just for the tanners and manufacturers of shoes to ask the men who represent the people in Congress to help them meet the growing demand for American-made shoes.

Years ago the present law answered the purpose, but to-day it is just as necessary to change the law as it was for the manufacturer and tanner to change their methods and increase the outputs of their factories to meet the demands of their customers and the people.

The American people have been educated to use shoes for many occasions, in games of all kinds, hunting, fishing, and many other things too numerous to mention.

The farmers are also wearing lighter shoes, and are not satisfied to wear the old-style "stogey" boots, which in the olden days would last them from one to two or three years. To-day they buy the many different styles that are produced by the manufacturer and use as many or more shoes as any other class of people.

The styles that have been created are as necessary to meet the demand of the foreign trade as well as our own people. There is no reason why the conditions will change to shrink this demand for American-made shoes.

Conditions should be such as to place the tanners in a position to give us good leather, and at a price which will enable the manufacturers of the United States to deliver the goods.

Leather to-day is used extensively in the manufacture of many articles besides shoes, which no doubt the committee representing the tanners will present in figures.

SHOE TRAVELERS' ASSOCIATION OF CHICAGO.

(Representing about 1,000 salesmen.)

H. L. WARE, *Secretary*.

Mr. WILDER. There is one section of the country that has not been heard from, represented by an association whose brief I hold in my hand—the Northwestern Shoe and Leather Association, of St. Paul and Minneapolis. The brief is very short, and with your permission I will read it. [Reading:]

The following resolutions were unanimously adopted: Whereas the duty on hides has been in effect for a number of years, and during all that time it has

not proved to be the protection to anyone, any class, or any business, but it has been the handicap to all the leading business and industries which involved the use of leather, and whereas the production of hides has been and is decreasing steadily, while the demand for leather has increased steadily through the growth of the population and development of the numerous new uses for it: Therefore, be it

Resolved by the Northwestern Shoe and Leather Association in meeting assembled, That we urge upon the Congress of the United States an early removal of the duty upon hides as being a step for the benefit of the users and sellers of shoes and to all leather productions and a relief to the shoe and leather industry.

Resolved, That a copy of this resolution be sent to each Senator and Representative in the Congress of the United States from the Northwest States.

Minneapolis, Minn., November 23, 1908.

THE NORTHWESTERN SHOE AND LEATHER ASS'N,
C. GRIMS RAD, *President*.
GEO. A. PIERCE, *Secretary*.

The following is a list of manufacturers and wholesalers of shoes and leather, comprising the membership of the Northwestern Shoe and Leather Association:

Northern Shoe Company, Duluth, Minn.; Twin City Shoe Company, Star Baby Shoe Company, North Star Shoe Company, Hathaway-Shaft Shoe Company, The Grimsrad Shoe Company, C. F. Albrecht & Co., J. H. Martin & Co., Dodson, Fischer, Brockman Company, H. J. Putnam & Co., Hume & Friend, Minneapolis, Minn.; C. Gotzian & Co., Foot-Schultz & Co., Sharood Shoe Company, Sheffer & Rossum, P. R. L. Hardinberg & Co., St. Paul, Minn.; Red Wing Shoe Company, S. B. Foot & Co., Red Wing, Minn.

Mr. WILDER. There is also a brief from the Columbus (Ohio) Shoe Manufacturers' Association.

The ACTING CHAIRMAN. Will you file that?

Mr. WILDER. I will file that without reading it, Mr. Dalzell.

To the HONORABLE WAYS AND MEANS COMMITTEE,
National House of Representatives.

GENTLEMEN: We appear before you as representatives of the tanning industries, shoe manufacturers of Columbus, Ohio, most respectfully to ask that you restore hides to the free list.

We submit the following syllabus of points upon each of which we are prepared to make extended argument if desired.

1. That the principle of protection can not be applied to hides. They are in the strictest sense a raw material upon which almost no labor is expended.

2. That the tariff of 15 per cent on cattle hides does not "protect" stock raisers and is not even a bounty, since higher prices of hides accrue to the packer and not the cattle raisers.

3. That the domestic production of hides and skins is inadequate and is not increased or stimulated by the tariff. The packers have surplus stocks of beef for export, but tanners are compelled to import large numbers of hides. The market price of a steer hide is about one-sixth the amount paid for the live animal. Cattle are thus raised primarily for beef, their hides being an incidental product, affected in price, but not in quantity, by demand or lack of demand.

4. That hides and skins, the basis raw materials of the leather industries, are becoming scarcer and dearer in all the markets of the world. The per capita consumption of leather is outstripping the supply of hides that results from slaughter of cattle for beef. There are many substitutes for beef for food, but sole, harness, belting, furniture, and other leather can not be made from anything but cattle hides.

5. That foreign raw material is a vital necessity of the tanning industry. The domestic supply is hopelessly insufficient. Despite the tariff the United States is the largest purchaser and consumer of hides exported from foreign countries. We have imported more than 400,000,000 pounds of hides and skins in a year.

6. That the expansion of our industries and the continued employment of thousands of work people is dependent upon obtaining foreign hides and skins to augment the domestic supply of raw material.

7. That the South American and other countries have a surplus of hides and skins that the tariff of 15 per cent tends to divert to the free ports of Europe. Argentina has six head of cattle to each inhabitant. The nations south of us are small per capita consumers of leather, while we are the largest users of leather merchandise of any nation in the world.

8. That hides were on the free list for twenty-five years prior to the enactment of the present law, and that the existing tariff was an innovation. It crept into the act during the conference hours and was imposed without sufficient consideration.

9. That with free hides the leather industry developed until a large export trade was achieved, but since the imposition of the duty of 15 per cent exports of leather made from dutiable hides have decreased while all other kinds have continued to increase. Canadian, English, and continental European tanners, with the advantage of free hides, and availing themselves of our tariff handicap, have increased their tanning capacity and prevented us from acquiring a proper share of the increased export leather traffic of the world. They not only are turning back the tide of leather exports, but actually are invading our shores. Of late quantities of English sole leather have been sold in the American markets.

10. That since the revenue law of 1897 went into effect tanners of hides most affected by the duty have not prospered, in proportion with persons engaged in other staple industries, where smaller average amounts of capital are invested. During the past twelve years tannery profits have seriously decreased.

11. That the tariff on hides is inconsequential as a producer of revenue to the Government. The net revenue, after the drawback duties are refunded, is less than \$2,000,000 a year, if we take five years and strike an average.

All of which is respectfully submitted.

THE NOLFE BROS. SHOE COMPANY,
H. P. NOLFE.
THE H. C. GODMAN COMPANY,
By F. A. MILLER, *General Manager*.
THE G. EDWIN SMITH SHOE COMPANY,
G. EDWIN SMITH, *Secretary*.
THE BRADFORD SHOE COMPANY,
EMERY BRADFORD.
THE C. & E. SHOE COMPANY,
C. W. STUBER, *Treasurer*.
THE JONES SHOE MANUFACTURING COMPANY,
By D. M. JONES,
Vice-President and General Manager.
THE RILEY SHOE MANUFACTURING COMPANY,
F. C. BARGAR, *Treasurer*.

Mr. WILDER. Here is a letter which I should like to read, Mr. Dalzell, addressed to Hon. Sereno E. Payne, chairman of the Ways and Means Committee of the House of Representatives, by Mr. Charles A. Schieren, of New York, whose illness prevents his being here. With your permission, sir, I should like to read it.

(Mr. Wilder read the following letter:)

NEW YORK, November 25, 1908.

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: The duty of 15 per cent on all heavy hides of 25 pounds and over which was imposed by the Dingley tariff about ten years ago was imposed under the claim that it was demanded by the farmers, cattle raisers, and feeders of the North and Southwestern States to assure to them a higher price for their cattle and a fair share in the general prosperity of the country and in the public belief that such would be the result.

This, however, has not been the case. On the contrary, notwithstanding the clamors of the few interested parties, experience has shown that the hide of the animal, being a by-product, has not figured materially in the market price of cattle. In consequence, the practical result has been that the farmers and cattle raisers do not generally receive any more for their cattle than they did before this duty was imposed, while they have to pay an advance

for the leather which they use in the shape of heavy harness, shoes, carriage leather, etc.

While those for whose benefit this duty was imposed have not been appreciably benefited, its existence has had a ruinous effect upon the tanners of the country. It has benefited nobody but the packers.

The packers pay practically no more for cattle than they did before the duty on hides was imposed. They therefore receive the sole benefit of this large duty of 15 per cent on heavy hides. With this protection, shortly after the passage of the Dingley tariff they started in the sole-leather business with certain tanners, furnishing them hides and making contracts with them for tanning it into sole leather by the pound.

It is the universal belief in the trade that the packers have since manipulated the hide market in such a way that whenever the price of hides shows weakness they fill up the tanneries which they control with their surplus of hides, thereby creating a shortage, which causes an advance of price to the public. At the same time it is said they reduced the price of leather tanned by them, which created a competition with the outside tanners, in consequence of which many were forced out of business.

It is also the universal belief in the trade that the packers have obtained a controlling interest in other large tanning companies which it is generally believed control fully 75 per cent of the sole and belting leather business of the country.

The sole-leather tanners who are not identified with these leather companies and the packers are in consequence crushed under this duty and the burdens which its existence enables the packers to impose upon them. In consequence very many of such tanners have been driven out of business. It is also generally predicted in the trade that the remaining tanners will be similarly crushed out and the sole-leather and belting industry of the United States be seized by the packers and their associates, who are generally known by the name of the "beef trust."

In view of the fact that after ten years' practical test the duty of 15 per cent on hides weighing over 25 pounds has not materially helped the farmers and cattlemen of the country, for whose benefit it was enacted, but has increased their expenditures and that of all the people in this country for heavy shoes, boots, carriage leather, and for all other purposes for which heavy leather is used, but has materially benefited the packers by practically shutting out foreign hides, and thereby been the means of forcing many of the tanners out of business, I feel that it is the interest of the whole country to require that this evil shall be stopped. The only way this can be done is to remove the duty on hides and place them again on the free list.

Trusting that you will give this matter your most careful consideration, I am,

Yours, truly,

CHAS. A. SCHIEREN.

Mr. WILDER. In closing, the National Association of Tanners wishes to be recorded as in favor of the removal of the duty on such tanning materials as wood extracts, chrome alum, chemicals, etc., which are not now produced in this country in sufficient quantities to supply the industry. We stand pledged to such maximum and minimum tariff legislation as Congress, in its wisdom, may see fit to enact, and which sufficiently protects American labor against foreign competition.

I thank you, gentlemen.

**STANDARD LEATHER CO., PITTSBURG, PA., THINKS PACKERS
THE ONLY BENEFICIARIES FROM DUTY ON HIDES.**

PITTSBURG, PA., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As president of the Standard Leather Company, an independent concern, I desire to bring before you for your serious consideration the question of tariff on hides.

Hides, as you all know, are raw material, and if they were not manufactured into leather of different kinds I am certain they would not bring over 2 or 3 cents per pound, as I know of no other purpose they can be put to, except into leather of some kind or glue stock for making a high-grade glue, and it is putting it into glue I refer to when I say if not put into leather they would sell at 2 or 3 cents per pound, while at present they are selling anywhere from 11 $\frac{3}{4}$ to 17 $\frac{1}{2}$ cents per pound, owing entirely to the fact that there is a tariff on hides and skins imported into this country, thus giving the packers of beef a monopoly and, to a great extent, control of the hide market. The packers gain all the benefit and by charging such outlandish prices for hides compel the tanner to charge accordingly for leather, and the consumer must pay into the maws of the packers.

The fact exists, which all of you gentlemen can understand at once, that all cattle, calf, sheep, hogs, etc., are not killed to produce the hide or skin; but they are killed for meat to feed the people, and the hides and skins should be a by-product selling at reasonable prices. Reasonable prices I would consider anywhere from 30 to 50 per cent lower than present prices, and if the tariff were removed from hides and skins the many millions of people of this country would enjoy cheaper shoes, harness, furniture, carriages, buggies, hats, gloves, etc.; in fact, any and everything in which leather is used, and allow me to say that every man, woman, and child in our country wears leather in some shape or form, and all instead of donating to the hungry, grasping packer combination would be receiving a benefit by the tariff being removed from hides. The packers to-day are interested in the Central Leather Company, which is called a "sole-leather trust," and at any time they have or there should be a surplus of hides the packers will sell to the Central Leather Company hides on private terms to clean up the surplus—private terms to my mind simply means reduced prices to the sole-leather trust. When independent or smaller buyers go into the market for hides the prices are again at the top notch. From this you can see the packers get two profits, viz, on his hides and again from the sole-leather trust, which they about control through the Central Leather Company. Now, surely you must agree that such dealings are unfair to the people, and if other countries could sell their hides and skins here free from duty it would help the independent tanner and the people, who are the consumers.

It is an outrage against the people of the United States to keep a protective tariff on a raw material, such as hides and skins, imported or which would be imported into this country in large numbers for leather from France, Italy, Germany, Switzerland, and South America. With the tariff removed the independent tanner could, on account of cost of hides being reduced at least 30 to 50 per cent, work in his tannery two hides for what one costs him to-day. Thus the production would be increased in leather and consequently the prices would be reduced in proportion to cost of raw material or "hides," and the people would enjoy cheaper shoes, gloves, harness, etc.; in fact anything in which leather is now used would be cheaper to the people.

The fact is, packers to-day are getting more per pound for hides on an average than he gets per pound for his meats throughout, and remember the animal is not killed for the hide, but for the

meat it produces to feed the people. Can you not see the inconsistency of having a tariff on hides and skins, a raw material worth what? If not put into leather, which the people must have for shoes, gloves, hats, etc., is it fair to the people to have a tariff on any raw material coming into our country to go into a manufactured article? Is it not the right and proper thing to have such raw material on the free list? Does it not increase the demand for labor in our country if we have free hides and skins to make leather from? Gentlemen, there positively is no country on the globe which can manufacture leather cheaper than it can be manufactured in this country so far as actual cost of manufacture goes. What we want as independent tanners and as the people, long suffering people, of this country want is cheap hides, cheap raw materials to make cheap leather, and no country on the globe can beat us selling cheap leather to the United States and the world.

It is up to you, gentlemen, to either help the people or the enormously wealthy packers, who are grinding the very souls out of the people, not only through high-priced hides, but on produce, eggs, fruit, poultry, anything they can control to a great extent.

Some agent or representative of the packers may tell you, gentlemen, that on account of getting higher prices for their by-products or offal they can and are paying the farmer who raises the cattle more money, live weight, for their animals. This is not true. Look up the statistics of the selling prices of cattle, hogs, sheep, etc., for the past ten or fifteen years and you will find that live animals, if any, are selling for very little more than they were when meats, such as steak, was selling at 12½ cents per pound, roast beef at 8 to 10 cents per pound, boiling beef at 4 to 5 cents per pound, and hides at 7 to 8 and 9 cents per pound for the best heavy hides; then turn and see what hides and meats are selling at to-day. Would ask you, is the farmer getting the benefit of the high-priced hides and high-priced meats; are the people getting the benefit of the high prices? You must answer no. Then, who is getting all the benefit? There is only one answer to this, viz, the packer and his friends and allies.

I wish to inform you that I have all my life been a Republican, my father and grandfather before me likewise, and I shall always remain one so long as the Republican party and its leaders are for the people and masses and not for classes. I am in favor of tariff to protect articles manufactured in this country, to protect our workingman and his family; but I am against tariff that prohibits the importation of a raw material that would cheapen the manufactured article to the consumer and the people of this glorious country of ours, and which can be improved upon at least 50 per cent if legislative bodies elected by the people would and will legislate for the masses and the people against the classes who dominate only because by fair and foul means they have gained control of an article of commerce, let it be what it may.

No doubt you will have this matter placed before you in a far more forcible manner, and also statistics to prove the claims of the tanners of this country, who are making a gallant fight against almighty money power to have the tariff removed from a raw material—hides and skins from animals suitable for leather only. Notwithstanding that I feel that my effort to reach you on this subject may amount to naught, I can not help adding my voice in protest against a tariff c

raw material, enriching a few and making poorer every day the masses, the people.

Trusting that in all wisdom you will see this as I try to picture it to you, "a true picture"—anyone can see it who takes honest time to look—and remedy the matters by removing the tariff, I beg to remain,

Most respectfully, yours,
 GEO. J. LAPPE,
President Standard Leather Company.

**HON. F. E. WARREN, SENATOR, FILES PROTEST OF WYOMING
 CATTLE RAISERS RELATIVE TO HIDES AND CATTLE.**

WASHINGTON, *November 29, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
 Washington, D. C.*

MY DEAR SIR: I transmit herewith, for the consideration of your committee in connection with the proposed new tariff bill, letter from Mr. J. C. Underwood, secretary of the Laramie County (Wyo.) Cattle and Horse Growers' Association, protesting against the reduction or removal of the duty on hides and the duty on Mexican and Canadian cattle imported into the United States.

Very truly, yours,
 F. E. WARREN.

UNDERWOOD, WYO., *November 25, 1908.*

Senator F. E. WARREN,
Washington, D. C.

MY DEAR SENATOR: In relation to the move of the leather interests to take the duty off hides and to admit Mexican and Canadian cattle free to the United States:

We hope that you will use every effort at your command to head this off. While the contention of the manufacturers is probably true that hides are higher than ever before, still, if the duty is taken off, the packers will surely cut us on the price of cattle. At the present time the packers in buying cattle figure the value of a hide at from \$10 to \$16 each, according to the size of the animal. If an immense amount of Mexican and South American hides are rushed in here, it will surely mean a reduction on the hide end of our cattle of \$5 to \$8 each. With the free importation of Mexican cattle, which can be bought for about \$5 of American money, it would mean the flooding of our public ranges with thousands of these cattle, thereby destroying the grazing value of our ranges to such an extent that probably the supply would be rendered much smaller than now. Again, the far southern cattle, being so much smaller than our natives, it would take at least three hides to meet one of ours, to say nothing of the quality of the hides. It appears to us that if the Congress and country at large would do something to protect the way we have to do business, we could certainly increase the amount of hides now sold. Furthermore, we have no guarantee from the leather interests that in the event of their securing free duty on hides that the price of leather or shoes will be materially reduced. From the fact that they are generally conceded to be in a trust, it is more than likely that the retail

price of leather products would remain on about the same basis as the retail products of slaughterhouses. At the present time the price obtained by us for the sale of cattle on the foot is only about what we can produce them for. The conditions of our ranges at the present time makes the production of cattle a very unsatisfactory business.

We were under the impression that the oral hearing on the cattle schedule would not occur until December 2, but we were informed last Friday that it occurred that day, but that briefs could be filed up to December 4. Mr. Murdo Mackenzie and Mr. S. H. Cowan are now on the way or in Washington, and will take this matter up as representatives of the national association; but in the meantime the members of our association hope that you will use every effort to hold the present duty on hides and to stop the free importation of Mexican and Canadian cattle.

Very truly,
J. C. UNDERWOOD,
 Secretary Laramie County (Wyo.) Cattle and
 Horse Growers' Association.

**GEORGE W. RUSSELL, ATKINSON, N. H., ASKS RETENTION OF
 PRESENT DUTIES ON HIDES AND SHOES.**

ATKINSON, N. H., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
 Washington, D. C.

GENTLEMEN: I am a wage-earner and I suppose that I represent more than thirteen-fifteenths of the working people in this country, all of whom are dependent on a really protective tariff for American wages and conditions. I am a consumer and not a producer of American products. I have nearly all of my working life been connected with the boot and shoe industry as superintendent of a factory.

We produce nearly all of our consumption of dutiable hides, having imported only \$20,649,258 in 1907. This enables us to fix the price on the small quantity imported. Our boot and shoe industry is the best protected of any of our large New England industries. All of the other large New England industries are subject to heavy foreign competition.

In 1905 Great Britain took of our sole leather \$4,449,410 worth, and of other leather \$11,072,078 worth, and of boots and shoes \$1,943,845 worth. Great Britain's facilities for importing hides are far better than ours, yet with everything free that goes into a boot or shoe she took of us in 1905 \$17,465,333 worth of leather and hides and shoes worth \$651,343. In 1907 our exports of boots and shoes were practically \$10,000,000 worth. We are the largest exporters of boots and shoes in the world. With everything free that goes into boots and shoes Great Britain increased her exports of boots and shoes \$1,000,000 worth between 1893 and 1902, inclusive, while we increased our exports of boots and shoes in the same time \$5,250,000. Our sales of leather, hides, boots, and shoes to Great Britain show absolutely that the duty on the few cattle hides that we import does not increase the cost of our boots and shoes one particle.

As one interested in the production of boots and shoes, I entreat your honorable committee to leave the duties on hides, leather, boots,

and shoes as they are now. The duties ought to be increased in nearly all the schedules of the Dingley tariff.

In 1908 we imported very nearly \$70,000,000 in the manufactures of cotton. In 1905 we imported \$5,500,000 worth of leather gloves and immense quantities of cloth and knit gloves.

In 1897, when the Dingley tariff was enacted, wages were low and products were low in price. Revenue was needed. The Dingley tariff afforded fair protection under conditions then existing. Between January 1, 1897, and July 1, 1907, there has been a great rise in wages in this country, with very little rise and in some cases no rise in competition with foreign countries. This has given foreign competition a great advantage in our market. This, with the trade agreements with the principal European manufacturing countries, leaves us with very little protection, and in some lines, particularly knit goods and gloves, without any. "The test of a tariff as to whether or not it is too prohibitory, or not sufficiently protective, is seen in the imports of a series of years." Judged by this standard, the duties on imported sugar are very nearly $1\frac{3}{4}$ cents per pound. This duty, with the probability that American sugar would soon supply our market, gave us consumers 20 and 22 pounds for \$1. The tariff was reduced one-fifth on Cuban sugar, and Philippine sugar is practically free (we give the Filipinos what we collect in duties); we get now 16 to 17 pounds for \$1. In 1906 our import of sugar and molasses was valued at \$85,460,088; in 1907 at \$92,806,253. In 1897, when the Dingley tariff was enacted, our beet-sugar product was 37,500 tons; now it is 433,000 tons. A reduction of the duty has increased the cost of sugar to American consumers, and is increasing imports, and has so discouraged our beet-sugar producers that the industry is practically at a standstill, while it increased very rapidly under the Dingley tariff. There is no reason for the Cuban treaty or for free Philippine sugar. We have not yet learned the truth, that to have an article that we can produce, plenty, and cheap, and good, we must produce it ourselves.

Free of duty sounds nicely to many ears but it always works against the wage-earner's interests. We wage-earners in this country have lost millions in wages, since July, 1907, on account of the agitation for, and the fact of free importations, and the senseless war on our industries.

Now, gentlemen of the committee, we entreat you to fix the schedule in our tariff, so that a large part of the more than \$800,000,000, in competing imports will be kept out. Our imports of the manufactures of cotton in 1907 equals the total production of Fall River, Lowell, and New Bedford, the three largest cotton manufacturing cities in this country. If these products were made here, what a tremendous addition to our consuming power it would be. Then when we come to multiply this by eleven, to cover our imports of competing products, it would add immensely to our consumption of everything that we produce. We should not need to pay England and Germany and other countries \$2,000,000 or more in gold annually, to carry our bulky agricultural products to Europe.

All of our trade treaties and agreements with Cuba and European manufacturing countries need to be abrogated.

Very respectfully,

GEO. W. RUSSELL.

**ISAAC PROUTY & CO., SPENCER, MASS., OPPOSE THE SUGGESTED
REMOVAL OF DUTY FROM BOOTS AND SHOES.**

SPENCER, MASS., *December 2, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

MY DEAR SIR: You will please pardon me for addressing you again on the subject of the tariff on hides, as I addressed you so recently, on November 20, but I was quite disturbed by some of the arguments presented at your hearing on the 28th.

While I am decidedly in favor of free hides, according to the argument I made in my letter of the 20th, I feel that the consent given by some of the representative men who came before you consenting to the free import of boots and shoes was a question not for them to concede. The boot and shoe industry is a great industry and would not survive the extreme low prices of labor prevailing in many countries without a tariff. While it would be possible to reduce the tariff partially, not wholly, and when a man consents to remove the entire tariff on a manufactured product like boots and shoes he does not comprehend how soon the foreign countries will take up the manufacture of boots and shoes and supply America.

I hope this committee will look upon this question in its true light. The hide product is a by-product. The duty on hides does not encourage the production of hides especially. We have always been supplied with abundant material for the tanning of hides, and that is the reason we tan so many and produce so much leather; but the shoe industry is an industry that will be taken up where labor is the cheapest. It can just as well go to some other country as to remain with us, and a free duty on shoes would drive out an industry of great magnitude from our country. While the free import of hides would not drive out any industry, I think the concession made was very unwise and misleading. I hope the committee will not take that part of the testimony seriously.

Very respectfully, yours,

CHAS. N. PROUTY.

**THE LEATHER BELTING MANUFACTURERS' ASSOCIATION OF
CONCORD, N. H., FAVORS DUTY-FREE HIDES.**

CONCORD, N. H., *December 2, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: Whereas the Dingley tariff act of July, 1897, imposed a duty of 15 per cent on hides, which have for many years been on the free list, and

Whereas the claim then made, that by this duty the farmer would receive more for his cattle, has not been found true; on the contrary he is obliged to pay a higher price for harness, saddles, carriages, and other articles containing leather, and

Whereas the packers have during the past eleven years been engaged in the tanning of leather until they control a large part of the tanning industry, and

Whereas this 15 per cent duty enables these packers to still further control the tanning interests of the United States, it is

Resolved by the executive committee of the Leather Belting Manufacturers of the United States, in session in New York on December 1, 1908, that the wrong that was made in 1897 be righted, and that hides be restored to the free list, and that leather belting be continued with the duties that were upon them before the Dingley law was approved, thus carrying out the policy of the Republican party of protection to manufactured articles, which is necessary both for a revenue for the Government and a protection to the laborer.

Yours, respectfully,

CHAS. T. PAGE, *Chairman.*

ENGLAND, WALTON & CO., PHILADELPHIA, PA., FAVOR FREE HIDES AND REDUCTION OF DUTY ON LEATHER.

PHILADELPHIA, PA., *December 2, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: We have observed through the newspapers the thought expressed that the Ways and Means Committee is inclined to report a bill recommending that hides and leather be put on the free list.

As probably the second largest tanners of oak leather in the United States, we would like to express our views clearly as to the advisability of this action.

First. We approve of the admission of hides free of duty.

Second. We heartily approve of a decided lowering of the present rate on leather, but do seriously object to the entire removal of the same. We herewith give our reasons for the above conclusions.

We approve of the admission of hides free of duty, because the hide supply of this country is entirely inadequate to meet the demands for leather, and tanners are compelled to look for their necessary supply to the markets outside of this country. As statistics show, the per capita consumption of beef is lessening, while the per capita consumption of leather, owing to its various forms of utilization, is rapidly increasing, thereby widening the breach between the supply of the raw material, hides, and the demand for leather, and thereby compelling the tanners, more and more, as our country is settled, to look to outside sources for their hide supply.

We heartily approve of a decided lowering of the duty on leather, as we think it is and has been unnecessarily high, but we object to the entire removal of this duty for two reasons.

First. There should be a sufficient tariff to represent the difference paid for labor in foreign countries and in our own, and thus protect the labor of our country. This we figure would be represented by a duty of from 3 to 5 per cent.

Second. We object to the entire removal of the duty on leather, as we believe some duty should be maintained to prevent the foreign tanners, in time of depression in their own countries, using our country as a dumping ground for their surplus stock by selling their leather at cost in this country, and they would often thus be able to relieve themselves of their surplus, and still obtain higher prices in their own

markets. In addition to the duty imposed for the protection of labor in our country, we think a slight addition should also be made for this reason, and therefore believe that a duty on leather of between 5 and 10 per cent should most decidedly be maintained.

To summarize, we believe in the abolition of the 15 per cent duty and the admission of hides free, and the reduction of the tariff of 20 per cent on leather to a rate between 5 and 10 per cent.

We wish to be placed on record as most strenuously objecting to the entire removal of the duty on leather for the reasons given in the foregoing, believing that the removal of all duty on leather would be a very serious blow to the tanning industry.

As this matter is of such importance, we have taken the liberty of sending a copy of this letter to each member of the Ways and Means Committee.

Very respectfully submitted.

ENGLAND, WALTON & Co. (INC.),
CHARLES S. WALTON, *President*.

S. H. COWAN, FORT WORTH, TEX., REPRESENTING THE CATTLE RAISERS' ASSOCIATION OF TEXAS AND THE AMERICAN NATIONAL LIVE STOCK ASSOCIATION, ASKS RETENTION OF PRESENT DUTY ON HIDES.

SATURDAY, *December 5, 1908.*

Mr. COWAN. Mr. Chairman and gentlemen, these documents which I have in front of me were not brought for use—only for protection.

For purposes of asking the committee to accept and print a brief which I have prepared, I will state that I represent, as attorney, under employment of over fifteen years, the Cattle Raisers' Association of Texas. That organization is composed of all persons who desire to belong to and do engage in the business of raising cattle in Texas, Oklahoma, Kansas, New Mexico, Arizona, Colorado; and there are quite a sprinkle of members of the association who are engaged in business in all of the northwestern range States. The impression sometimes gets out that these live-stock associations are composed of what is called the "big men." That is not the case with the Texas Cattle Raisers' Association. They pay what they have to in support their organization on the per head basis, but the number of members of the association who own less than 300 head of cattle constitute more than two-thirds of the entire membership of the association, and they are not only range men, but farmers and feeders as well.

I also am attorney for the American National Live Stock Association, which has its headquarters at Denver. That organization is composed of live-stock associations—of producers only—in all of the States west of the Mississippi River. Iowa has an organization known as the "Corn Belt Meat Producers," with a very large membership, and that association is a member of the American National Live Stock Association. Similar organizations exist in Kansas, Nebraska, South Dakota, Montana, Wyoming, Utah, California, Arizona, and New Mexico, and other States which perhaps I have overlooked; and these component organizations are likewise composed of a much larger number of small men than of big men. I say these

things, not because the small man is entitled to any more than the big man, but because of the general prejudice which is aroused by men who have not very broad minds when they speak of the "big" man.

In behalf of these associations, I wish to file a brief which I have prepared in a short period of time. I have taken all of the reports which I could secure from the best sources of information of the Government—the Department of Commerce and Labor, the Department of Agriculture and the different bureaus, the reports in the way of bulletins which have been issued by the Census Bureau, and by these different departments. And I have taken such publications as trade journals that I could get hold of, and publications of stockyard companies where I could get hold of them—they publish annual reports—and I have taken some of the live-stock papers which are published at the markets.

I have had personal familiarity with the cattle-raising business for thirty years, and it has been very close, because for the last fifteen years I have been employed by the largest organization of cattle raisers in the world, and have looked after their business in detail in almost every form. I never was engaged in the leather or tanning business, although my grandfather was a leather tanner, and a great uncle, brother of his, was a saddler. Another brother of his, a great uncle of mine, was a shoemaker; and those gentlemen were much more careful in what they said than the latter ones in that line of business.

We have discussed a great many of the things which have been said by the gentlemen who have appeared here representing the leather industry, and we wish the committee to examine into some of the statements made, which, if not disputed, the committee might accept as true. We do not know the extent to which the packing houses of the country control the leather business. It has been commonly said that the big packers control the leather business. Perhaps that may have been accepted without any truth in it. I have had it stated to me recently that there is very little, if anything, to that, excepting so far as they have procured these gentlemen who are engaged in the tanning business to tan hides for them. Of course I see nothing particularly reprehensible about having that done if they pay for it. In undertaking to base an argument upon the supposition that because the packers have a large amount of leather tanned, or that they own interests in tanneries, that therefore the man who raises a steer in Texas or Iowa does not get the value of his hide—that is a mighty short-sighted argument, and it will bear investigation. We take it that the committee is disposed to go to the bottom of every alleged fact, and I want the committee to do that with reference to anything that is stated in our brief or which I shall hereafter state before the committee.

The people whom I represent of course are not skilled in the matter of tariff; they know little about it. It has been held out to them that they were going to be treated fairly. I dare say that if there had been put in any political platform a statement that the tariff on hides and wool would be taken off at the coming Congress, the party which put that in would have had several members of Congress shy from the West. We think it would be scarcely fair to take off the tariff upon the few things, the very few things, which we produce and make us pay the tariff on what we buy, and which, for the most part, have a

tariff on them. As to whether a tariff should be levied for the purpose of protection, or whether it should be levied for the purpose of revenue, and let protection be incidental, are questions, of course, of political economy which the stockmen would not attempt to bring up before this committee. We are here representing only our beliefs and our desires, and they are that we have equality before the law. If you shall enact a law upon the subject that shall be a bad law, we want to stand equally before it just in the same manner precisely as it would be in cases of our antitrust laws.

In Texas we undertook to exempt the farmer as a person entitled to special privileges, but the courts held that that was unconstitutional. That great principle ought to apply surely in the levying of tariffs. That is the belief of the great mass of farmers and stock raisers throughout the West. Whether you should act upon that is a matter which your consciences will determine and not our wishes, although our wishes might play some considerable part if we had means at hand for getting information such as the gentlemen who spend a great deal of time in getting up data and in making arguments before the committee. I have gathered from the reports that it is probable we produce enough cattle hides in the United States to supply the leather necessary, and which is used and got from cattle, for the consumption of the United States. It is difficult to get out any precise data upon that subject, because there is only one class of leather which is separated, so that you can tell whether it is from cattle, in the statistics that I have had access to, and that is sole leather.

Of course, we could assert that harness leather is likewise made of cattle hides, but after making my computations I found that there were probably some errors, and I wish to call the committee's attention to that. I find that we import approximately 130,000,000 pounds of cattle hides in a year. It has run as high as one hundred and sixty odd million pounds, and down as low as eighty odd million pounds, depending I assume upon the various conditions of the markets the world over for hides, and circumstances of trade too innumerable for a man to reason out and present in an argument before the committee. Taking the total number of cattle hides imported, I have collected the percentage of the imported hides to the exported leather, which is very difficult to determine because the amount of leather exported, while the pounds in the case of the sole leather, is given, only the dollars' worth is given in many other cases; and then it is not separated precisely as to sorts, because there is a large export of leather under the heading of "Other leather." So that it is only a method of approximation.

We export about 31,000,000 pounds of sole leather. Now, as to what amount of hides that would represent would depend entirely upon the question of what sort of a hide was put into the leather and at what sort of process the tanning was used. I took the census report of 1900, under the head of "Review of hide and leather business and tanning and the making of shoes," and I have read that through with great care, and I might add that I have learned something about it. I find that leather from flint hides may be made so that the tannin and other precipitation which gets into the texture of the hide will produce as high as 140 per cent of leather out of the dry hides, whereas in the case of the cured hide it produces

from 60 to 80 per cent, depending upon the process of tanning. So that it is difficult, therefore, to determine what proportion of the 130,000,000 pounds of hides imported is exported under the proviso in the tariff act under which they can export them and get a drawback equivalent to the entire duty. Then, we can not tell the weight of some 6,000,000 pairs of shoes exported, nor can we tell the weight of the sole leather in the shoes; but if we assume that the sole leather amounts to two-thirds of the weight of the coarser shoes, we may assume that they exported—with a pair of coarse shoes weighing, heavier 3 pounds and medium 2 pounds—that we have exported fifteen or twenty million pounds of sole leather in shoes. We assume that a large part of that must have been made from leather made from hides which were imported, because they got 99 per cent back on that; and they are careful men, and doubtless get as much, at least, as they are entitled to.

But the difficulty I want to point out lies in this: We kill in this country—I prefer to read the figures, and will not occupy more than five minutes of the committee's time—I take from the report of the Bureau of Animal Industry, statistics of the Census and Statistical Abstracts, the showing that the total cattle existing in this country in the year 1897 was reported as 46,450,000, in round numbers, of which milk cows constituted one-third, practically, or 15,941,000, and other cattle, which, of course, would be beef cattle, practically 30,508,000. That number of cattle has increased up to the year 1908, so that there is a total reported of 71,267,000. I have not figured that per cent, but it must run to about 33 per cent. The number of cows have increased proportionately, so that there are 21,000,000 cows, and approximately 50,000,000 beef cattle. Of course, the hides would be proportionate to the number of cattle, because they must either die or be killed, one or the other. It seems from information which I gather in the reports of the hearings of this committee, and from what I have heard on the outside, that I was in error in supposing that the 130,000,000 pounds of hides imported, called cattle hides, embraced all of the cattle hides imported. It seems from some source of ruling or method, which I do not care to criticise, that cattle hides have been imported into this country in great numbers without paying any duty.

I do not know the why of that, and I do not know the wherefore; but I have read the tariff law under the head of items subject to duty, and I have read that section containing the free list, and as a practical lawyer of thirty years' experience I would not have the temerity to ask a judge of the United States court, or any judge of any court of Texas, or a justice of the peace, to construe that law to mean that cattle hides weighing under 25 pounds could come in free of duty. I say my computations are somewhat erroneous to the extent to which that has taken place; I am not able to find out, and there would be no means of ascertaining. As has been said, the hide may be trimmed down so that it does not weigh over 25 pounds and yet imported free of duty. That probably could fall under another heading than the hides in the statistics called "Other hides." Why they are not called "cattle hides" I do not understand.

Now, with these explanations, I will not attempt to point out the grounds of our contention further than to say that we think that the

value of the hide on the animal is just as much a part of the value of the animal as the tallow in the animal, the oleo or the oil in the animal, or the meat in the animal; and to assume that the hide is a perquisite, like a waiter's tip at a hotel, is an absurdity that ought to challenge the credulity of intelligent men. We deny that. We can disprove it. There has been no proof offered in support of it; it is incapable of proof.

Again, to say that the tariff on hides, which confessedly has caused them to bring more money, is not an advantage to the man who sells is equally absurd. Of the total cattle slaughtered in this country, as our brief will show, 5,000,000 head are slaughtered by the big packers; 13,000,000 head are slaughtered exclusive of calves, 5,000,000 calves are slaughtered. There are 3 per cent of the entire cattle of the United States which die by accident or disease every year; from which we estimate that the fallen hides to the extent of one-half a million, or a million, are taken. So you have a production of hides in the hands of men whom these gentlemen say control the hide market of 5,000,000 hides originally skinned, against more than 8,000,000 hides otherwise and elsewhere produced. We have tried to point that out.

Now, the value of hides did not only advance when the tariff was put on, but the value of hides advanced in the markets all over the entire country much more than the tariff.

The CHAIRMAN. All over the world?

Mr. COWAN. All over the world, probably; yes; and much more than the tariff. The time was when I have seen hides lay out and rot on the prairies because we could not get enough for them to make it an object to ship them to the market. Numbers of Congressmen and Senators in Congress know those facts personally. Now, if there is some benefit to come to us, we want it for the money there is in it. We are not here for benevolence, but if there can be a home market where we can sell our hides in the United States, we want it; and we do not want to be subjected to having to pay the expenses in the way of commissions, transportation charges, and the like in order to reach some standard market in London or elsewhere. We are not arguing that the whole protective system is perfect—that will be for the committee to consider—but we want a fair and equal division of the benefits, and that is what everybody works for in the protective-tariff system—the benefits to be derived—some say the benefits to the public, and I have heard it said that it was for the benefit of the man who thinks he gets it, and in many instances but little for the public, but—

Mr. UNDERWOOD. A bill to equally distribute the benefits and equally distribute the burdens.

Mr. COWAN. No; I think it would be impossible to do that. It is largely a matter of political economy. But in the make-up of that political economy we hope that a large and meritorious class of people, whose interest is not individual, come here and argue the matter to you will receive that consideration which they have been led on the hustings to believe they would receive when Congress met.

Mr. CRUMPACKER. Does a tariff on hides stimulate the production of cattle? Are any cattle raised in this country for their hides?

Mr. COWAN. It would be perfectly impossible for any man to answer that the tariff does do that, but a high price of hides does just as much as a high price for oleo or beef.

Mr. CRUMPACKER. The cattle are raised, as I understand it, to supply the food market?

Mr. COWAN. They are raised for all the purposes for which a man engages in any other business, for the money that goes to the men who grow and feed them. Of course, the main object is the food supply, but the man who is raising them has no particular intention, no particular motive or design, except to make some money to support himself and his family, or lay it up in the bank, and he will get it out of any part of the animal that he can; at least, that is my personal opinion.

Mr. RANDELL. I understand that you want to come before the committee again after you have had time to see what kind of arguments have been made?

Mr. COWAN. I do. I overlooked making that request. What I want to do is to read the report of the evidence, much of which is entirely statistics, and present the facts which we propose to prove to this committee.

Mr. RANDELL. I would be glad to have you inform yourself, as well as you can, in reference to this proposition: How would the cattle raiser stand in regard to taking the duty off of hides and leather and shoes, or all leather manufactures? Of course, there are a great many people in this country besides cattle dealers, and of course, too, the cattle dealers are entitled to as much consideration as anybody else; and some shoe men and leather men are willing to have the tariff taken off shoes and leather if they can get their raw material free. Of course, if they can not get raw material free they can not manufacture in competition with foreign manufacturers who do get their raw material free. I would like to have you think about that matter and, when you desire, endeavor to have the chairman arrange a time to come before the committee and be prepared to answer questions along those lines.

Mr. COWAN. Well, I shall undertake to gain such information as I can. I take it that if you were to call up a farmer or a stockman and ask him about these things he would be liable to answer without having knowledge about what actually takes place in regard to hides and leathers. I have put in the brief a statistical table of the prices of hides and leather for ten years taken four times a year, and it does not appear to me that the prices of leather and the price of hides fluctuate together at all. There is something in the economics of this business that controls it. Furthermore, I have inquired of a number of retail shoe men that I deal with—they are the only men I could get information from, as the others do not want to tell me—and the retail shoe dealers in my town told me that apparently the price of shoes does not fluctuate with the price of leather or hides at all. They do not know much about hides, but they say that it does not fluctuate with the price of leather. They gave me statements about it, but I thought it was not wide enough in range of inquiry to put before the committee. But I undertake to say that a large majority of the farmers on first thought will answer you that if you will take the tariff off of leather and shoes and manufactured articles of leather he will be willing for you to take the tariff off of his hides, be-

cause he is a pretty fair-minded man. But when he investigates the fact as to what the price of leather and hides is in London or South America and the price of leather in this country and he finds out who it is that is making shoes and making leather that he buys, he might come to an entirely different conclusion, because it might turn out that he would not get any benefit. Whether that would be a benefit or not I am not able to say; I have not made up my mind, and I would want to examine it with great care before I did.

I understand from the reports of the department that a number of concerns producing shoes in this country have declined in the last five or six years 25 or 30 per cent. I read in the papers that a large shoe company in St. Louis, the Brown Shoe Company, have bought one of the largest shoe manufacturing concerns in Boston. If that sort of thing goes on—

Mr. CLARK. That is because the natural place to make shoes is in the Mississippi Valley.

Mr. COWAN. Well, the Boston man probably might not say that.

Mr. CLARK. I do not care what the Boston man might say; that is the truth of it.

Mr. COWAN. I do not know; I accept your statement.

Mr. CLARK. And that is the reason the boot and shoe business is all getting out West, and will ultimately get down to Texas, if it has not already?

Mr. COWAN. We are going to get nearly everything before we get through with it.

Mr. CLARK. I know you will. Now, you have been discussing this question solely from the standpoint of hides, as I understand it?

Mr. COWAN. Yes, sir. I do not profess to know much about the other things.

Mr. CLARK. If it should turn out, as the chairman suggested, that hides went all over the world in the last five or ten years, why, then, with your logical apparatus, you would not conclude that the Dingley tariff law put up the price of hides anywhere excepting in the United States, would you; but that there was some general cause operating to put up hides?

Mr. COWAN. I think your suggestion contained in your question would apparently be correct.

Mr. CLARK. But would it not actually be correct?

Mr. COWAN. Well, I don't know. It is pretty hard to tell. There are a great many things about prices.

Mr. CLARK. Now, here is the case you make out, taking the chairman's question as correct, and no doubt it is: Hides go up in the United States during the period of the Dingley law, but at the same time hides go up where the Dingley tariff bill can not possibly operate. That being the case, you would exclude from your consideration, naturally, any reasoning that is not good and proceed to hunt for the general cause that produced it, would you not?

Mr. COWAN. Undoubtedly.

Mr. CLARK. Unless these shoe men who came in and testified here are the most unmitigated set of liars that ever came to this town, if the tariff were taken off of hides and leather, then the plowmen's shoes and workmen's shoes, the heavy shoes, which we do not wear—I used to wear them, but when I got into another business I quit it—

Mr. COWAN. Me, too.

Mr. CLARK. They said that with the tariff out, that these shoes could be sold to the consumer at 50 to 75 cents a pair cheaper; and also leather in proportion, harness, and so forth. Don't you believe that the benefits to the farmer that you were talking about a moment ago would more than compensate him for the loss, if he does lose anything, by taking off the tariff on hides?

Mr. COWAN. Well, I should think it would very much more than offset it. If you are speaking of 50 to 75 cents a pair on shoes consumed in this country, then I want to say that there are some 40 or 50 million pairs—I forget just how many—

Mr. CLARK. About two pairs a year, I guess. But one of the most intelligent witnesses that I ever saw in my lifetime, a Boston shoe man, testified that while, as a matter of fact, to the manufacturer the tariff on hides would only make a difference of 8 or 9 cents a pair, that ultimately it would take off from 50 to 75 cents to the consumer; and he stated it in this way, in brief: That the retail man, whom you were talking about a little while ago, and who evidently deceived you—that they always go by quarter dollars; that they do not consider a falling off of 5 or 10 cents, or a raise of that amount, but they always jump by quarters, and he explained fully—you can read his testimony—

Mr. COWAN. Yes; I read his testimony.

Mr. CLARK. That it would make a difference of from 50 to 75 cents a pair on shoes.

Mr. COWAN. I am unfortunate enough not to know your name—

Mr. CLARK. My name is Clark; Champ Clark.

Mr. COWAN. You have stated that he was one of the most intelligent witnesses that you ever heard. I have read his testimony, and it was far from convincing to me.

Mr. CLARK. If he told the truth about the reduction of 50 to 75 cents per pair on shoes, it seems to me that it ought to solve the question.

Mr. COWAN. I admit the conclusion, but I do not accept the premise.

Mr. CLARK. Now, I will tell you what I wish you would do. Evidently you have devoted a good deal of attention to this, and I wish you would really go into it, study that out, analyze it, and if you will come back here and throw more light on it, I am certain that I will listen to you with as much pleasure as any living man. What I want is the truth.

Mr. COWAN. I do not think he stated the facts. I do not believe that it is a fact that only the retailer in this country puts up the price of shoes.

Mr. CLARK. Here is what he said about it: That the retailer puts it up by quarters.

Mr. COWAN. Then why does not he himself do it?

Mr. CLARK. Because they can not do it. Their profit is so small on a pair of shoes that they have got to consider the individual cent, but the retailer goes by quarters. That was his statement. I intend to find out for myself outside of what this committee is doing whether that statement is true or not.

Mr. COWAN. It is a good deal like what Jerry Simpson said in a speech once, referring to a report by a newspaper man of what his opponent had said, that he should have headed it: "This is important if true."

Mr. BOUTELL. Right in this connection, if Mr. Clark will pardon me, I asked Mr. Jones before he left the stand to give an answer to this question, and he did it in writing. I forgot at the time to have it inserted in the record, and this is a very pertinent time to put it in. My question was this, written out and handed to him: "How much less would we get \$2, \$3.50, and \$8 shoes for, sold at retail, with, first, free hides; second, free hides and free leather, and, third, free hides, free leather, and free shoes;" and he answered it in his own handwriting, "First, with free hides, \$2 shoes sell 25 cents cheaper; \$3.50 shoes sell 25 cents cheaper;" and the \$8 grade he stated he did not know about, that there were very few made at that price. With free hides and free leather he writes that the \$2 shoe would sell for 25 cents cheaper, the \$3.50 shoe would sell for 25 cents cheaper, and with free hide and free leather and free shoes both prices would be 50 cents cheaper. And under the law, he writes, in answer to the second question—that is, free hides and free leather—that it would depend on trust control.

Mr. COWAN. I wish to point out at this time, without attempting to answer those questions, because I have not given it that investigation which I consider ought to be given by any man to say just wherein he is in error, but we see errors almost intuitively which we can not at the time point out precisely. In the Census Bulletin for 1905—I do not seem to have the bulletin, but it is on the subject of leather and shoes and the manufactures of leather—in that bulletin it is shown that the total number of shoes produced in 1900 was 207,900,000, in round numbers. In 1905 it was 240,000,000, in round numbers, an increase in the number of pairs of 11 per cent; and that, in the same time, men's shoes increased in number of pairs from 67,000,000 to 83,000,000, or 23.2 per cent, and the value of men's shoes is reported to have increased 31 per cent, the same shoe. Of course, that might be accounted for by the relative number of different sorts of shoes made. On the face of it it would indicate that the price of shoes had increased at wholesale, at least the cost of them, between 1900 and 1905, 31 per cent. If you will look at my table of hide prices, you will find they did not increase at all; and of sole leather you will find the prices in the same condition. When I see such facts as that reported by a department of the Government, it challenges my credulity to say that if you take off the tariff on hides of only 15 per cent of the hides that it will make such an enormous difference in the prices of shoes.

The CHAIRMAN. Do I understand you to say that notwithstanding the large increase of price of hides from 1900 to 1905 that it did not increase the price of leather?

Mr. COWAN. That is my recollection of the figures, but, Mr. Chairman, I would not want now to be held down to properly quote the figures I have in here.

The CHAIRMAN. That challenges my credulity. I can not follow that. I am not discrediting your statement of what you found, but I do not believe any such report as that.

Mr. COWAN. It seems singular.

The CHAIRMAN. And I do not see how you can do it. Hides went up nearly 10 cents a pound or more; I do not exactly remember now.

Mr. COWAN. Let us see if they did between 1900 and 1905. Heavy steer hides are quoted by the hide and leather publication published

at Chicago—and I have the issue in my room; I did not bring it here—but as to these figures, I knew nothing about them before I began the investigation and took them from what purports to be correct, though I do not vouch for their correctness. But heavy steer hides were $13\frac{3}{4}$ cents in January, 1900—the date is not given, but I suppose it means January 1, 1900—and at the same time in 1905 the heavy steer hides, in the same column, were quoted at $13\frac{3}{4}$ cents. Now, going over to the column headed “Union No. 1” leather—I do not know what that is, but it is the same sort in the column, I presume. I see it referred to by some of the witnesses. In 1900 that leather is quoted, in January, at 35 to 36 cents. In January, 1905, it is quoted at 35 cents. There are the figures, and they come from these publications that these benevolent gentlemen have been concerned in.

Mr. CLARK. Please state that last figure about the leather.

Mr. COWAN. The leather was just the same as the hide—no increase—and yet the increase in the value of men’s shoes reported by the census was 31 per cent.

Mr. CLARK. Now, there were three tariffs entering into those shoes, really four; one was the tariff on hides, one the tariff on leather, and everything that goes into the making of leather; then the tariff on shoes, so that they had accumulated tariffs of at least three or four.

Mr. COWAN. Exactly, and there are a multitude of things—labor, coal; and for that reason I can not understand how Mr. Jones can say that the mere difference in the price on hides will make such a difference in the price on shoes.

Mr. CLARK. You come from a cattle country and so do I. Of course your interest, the cattle industry in Texas, is larger in proportion than it is in Missouri. If this whole tariff system on hides, leather, shoes, harness, and every product of leather was wiped out, just wipe the whole thing out from top to bottom, then where would we be?

Mr. COWAN. I undertake to say that in all such matters the experience of men who have thought on that subject is that you can tell just as well as you can about any change in the currency by one method only, experience, and you can not tell any other way.

Mr. CLARK. Just exactly so. But would not this happen to your man who gave you your information—the retail man—that if Congress should wipe out this tariff on hides and hide products, clear up to the finished shoe, then your retail man would hold up the price, or undertake to, until he got rid of them, whether it took one month or six; and after he got rid of them he could not keep them from going down, because somebody would start a store next door to him and sell cheaper.

Mr. COWAN. Well, I am not prepared to agree to all that. I agree that it would look that way, but in actual experience those things do not happen. We pay 25 cents for an E. & W. collar, and we go on paying that price.

Mr. CLARK. But nobody makes it but one company, and that is the best collar in America.

Mr. COWAN. I am not advertising the collar.

Mr. CLARK. And I am not either, but that is the truth about it.

Mr. COWAN. It is the best I know of. I buy a certain make of gloves, the Stetson hat, and a certain make of shoes, and they keep the price the same. It has been so for six or eight years. I pay \$5

for a certain brand of Stetson hat, and \$6 for another brand, and have done so for fifteen years. I do not know, nor do I stop to inquire, who gets the profit, and how much it is, nor whether they are made cheaper now than before.

Mr. CLARK. They confess that they do not make them quite as good.

Mr. COWAN. Possibly that is true.

Mr. CLARK. Have you the price of leather in 1899 and 1907?

Mr. COWAN. Taking the same brand, Union No. 1, 1899, it is quoted in this table as 27 to 28 cents. In 1907—I do not seem to have precisely that same date, but April and July are both quoted as 37 and 38 cents in April, and 36 to 37 cents in July.

Mr. CLARK. During the same year?

Mr. COWAN. The same year, 1907. In April it is reported as 37 to 38 cents.

Mr. CLARK. An advance of 10 cents.

Mr. COWAN. Yes; about 10 cents.

Mr. CLARK. Now, the importing price of hides in 1899 was 10.4 cents. In 1907 it was 15.4 cents, or an advance of 5 cents, or 50 per cent, on the hides. It gradually went up during those years until it reached 15.4 cents, which was the importing price before the duty was paid.

Mr. COWAN. I differ as to your suggestion that the hides gradually went up. The heavy steer hides, per pound, were the same price in 1904 as they were in 1898, and right on down.

Mr. CLARK. It may have been temporary because of the fluctuation. If you will carefully peruse, and get the average price each year, you will find the price of leather corresponded with the price of hides. Of course, it takes a pound of hide to make a pound of leather.

Mr. COWAN. Oh, no.

Mr. CLARK. It is so stated by experts.

Mr. COWAN. But a pound of hide, quoted under this heading—this is salt-cured hides—according to the census bureau report, which I have just quoted from—not here, but at my room—shows that it depends upon whether it is on hemlock leather or of oak leather or tanned by some other process; but it runs from 60-odd per cent up to 80 per cent. That is, leather out of that sort of a hide, according to that report.

Mr. CLARK. The statement the other day was in accordance with what I have said. I have heard that from a good many manufacturers of leather. I think you will find, on this sole leather, that the increase on account of filling, the increase of weight, is about 2 to 1.

Mr. COWAN. However, the committee will find out definitely about that; and referring to the other suggestion, Mr. Chairman, in order to avoid error about the price of hides—

Mr. CLARK. Did you notice Mr. Jones's suggestion that the packer bought cattle in quantities, of course, every day, and if the price was low on hides kept the hides for a higher price and put them on the market at the high prices, making a profit on the hides in that way which they legitimately might make in their business. And that they had it in their power to absorb this increased price of hides instead of giving it to the farmer. Did you notice that?

Mr. COWAN. I noticed some such statement as that.

Mr. CLARK. Did you notice it sufficiently to try to reply to it in your brief? That is the question that I was getting at.

Mr. COWAN. I can not say that I have taken up that expression of his and attempted to reply to it. But I do say that I have submitted statistics as to the total number of hides in this country, which in the absence of something less than the mere assertion on that proposition would seem to dispute the possibility of the packers fixing the price of hides. Furthermore, as the chairman has suggested, the price of hides went up the world over. I do not see, myself, how it is that the packers can control the market on hides if it is a fact that they kill and skin 5,000,000 cattle out of the 13,000,000, exclusive of calves, that are killed and skinned in this country. I do not see how they can do it. But I do see how they can hold their hides for a long period until they get a good market, because hides fluctuate the world over, as here.

Mr. CLARK. But the farmer, the owner of the cattle, has to sell; he can't hold them; and if he does he loses his profit.

Mr. COWAN. Undoubtedly.

Mr. CLARK. So that the farmer is obliged to sell at a certain time?

Mr. COWAN. About a certain time.

Mr. CLARK. The packers are not obliged to buy, excepting to supply their daily needs, while they can keep the hides. They have therefore, in other words, the long end of the lever in fixing the price with the farmer?

Mr. COWAN. Well, of course, that is necessarily the case.

Mr. CLARK. Is your experience with packers of such a nature as to lead you to believe that they would not take advantage of that if they could?

Mr. COWAN. My experience with them, and with everybody else in the world, is that they all take advantage of it when they can.

Mr. CLARK. Some men do it honestly and some dishonestly, but they all take advantage of it.

Mr. COWAN. It is pretty hard to try to find out who is honest and who is dishonest in these matters?

Mr. CLARK. In some things. I am not imputing any dishonesty to anybody, but I am trying to apply the rules by which men are governed.

Mr. COWAN. That is just what we want applied in this case. When I called your attention, Mr. Chairman, to the fact that of the cattle sold in Chicago—and that is shown in this brief from the live-stock papers and the stock-yard companies' publications—44 per cent of the entire sale of beef cattle on the market at Chicago, for the preceding year, were shipped to hundreds of places all over this country.

The CHAIRMAN. That is, they were killed by small butchers, and generally for the supply of their own market at retail?

Mr. COWAN. Yes; generally so. And oftentimes the surrounding country.

The CHAIRMAN. As to those smaller market men, when they did not get the supply in their immediate vicinity, they bought it from the packer; that is, they bought beef for their market?

Mr. COWAN. Undoubtedly that is true.

The CHAIRMAN. So they come in competition with the packers in regard to that beef, and the local people had to meet the same competition?

Mr. COWAN. Naturally.

The CHAIRMAN. Naturally would have to do so. And then the butcher, the local butcher, had a little the advantage because the farmer in that vicinity had to sell his beef to the local butcher; he could not very well send it off to Chicago to be slaughtered.

Mr. COWAN. But that argument would not be worth very much when you consider the fact that the man who buys the cattle on the Chicago market through an order buyer located there among the commission men, and ships the cattle to Alliance, Ohio, or some point in Pennsylvania, or Washington City, could not possibly depend upon any local supply for his cattle.

The CHAIRMAN. It is the smaller towns throughout the country, and especially so throughout the factory districts of the United States, where there is a much larger demand for meats and beef than through the agricultural portions of the United States.

Mr. COWAN. I am told that there are 10,000 cattle slaughtered per week in New York City, and probably almost as many in Philadelphia.

The CHAIRMAN. At my home they absorb all that the farmers have, and they also buy large quantities of Chicago beef from the packers, and one is in competition with the other.

Now, I want to make another suggestion, and that is as to the political argument that you made. You are well aware that the House of Representatives, both when the McKinley bill was under consideration and when the Dingley bill was under consideration, both in committee and in the House, voted down a proposition for a duty on hides, and that this duty was put on as an amendment in the Senate, and finally accepted as a compromise by the House, so that there is nothing in past history on which you can base any reliance in saying that the House of Representatives is in favor, or should be in favor, of a duty on hides, or that any Representative was elected with that end in view.

Mr. COWAN. I did not say that he was elected with that end in view.

The CHAIRMAN. I say that in comment upon your political argument, and I also wish to say, so far as I am concerned, that I recognize no promise, public or private, in regard to making a tariff bill otherwise than that contained in the Chicago platform. That is the only thing that any of the people of the United States have to hold out to me by way of pledge or anything of that kind. It has been known in my district what my view was about the duty on hides for a great many years, and no raiser of cattle has ever raised a question over it.

Mr. COWAN. I hope that the chairman will hear me in reply to his political argument.

The CHAIRMAN. Certainly; but you were urging that as a political argument. What this committee wants is not political argument, but they want statements that you can prove by any process of reasoning, or by any facts that you may present, that the farmer is getting the benefit of this duty upon his hides. I have not yet heard any man who even contended to prove that proposition. The strongest argument that I have heard is that of Mr. Jones to the contrary, and I would like to hear some argument on your side, either now or hereafter.

Mr. COWAN. Mr. Chairman, I should like to be permitted to just bring up two or three things that have been asked of me, and which I would like to answer, and then have something to say.

The CHAIRMAN. Do not understand me as wanting to cut you off in your answer.

Mr. COWAN. Now, about the comments which the chairman has made with respect to my argument as a political argument. But first I want to go back to the question of the continued price of the heavy steer hides from which I was reading, and to state that in the year 1905 hides began to take a rapid advance, and they remained high on up until 1907, and then declined; but that previous to 1905 there was very little difference between the price of that class of hides—from 1898 to 1905. I only mention that to show that the price of hides and price of leather did not fluctuate, according to the average price of hides during the entire period.

Now, as to the political argument, I think I said in support of my assertion that our people wanted the tariff on hides for the benefit to them, and that if any political party had put in its platform that it was opposed to it they would have been several Representatives shy. If I said more than that on the political side of it, I do not know. I did say that we wanted equal protection before the law, and if that is politics, I stand committed to it.

The CHAIRMAN. Now, right there: The price of hides, importing price, in 1901 was 12.8 cents, and in 1905 it was 13.1 cents, or 0.3 cent higher. In 1904 it was 13 cents. In 1903 it was 12.2 cents. So you see there has not been that uniform advance; but, on the contrary, the price has gone up and down ever since this duty has been placed upon hides.

Mr. COWAN. Which must have been done before. The price must have gone up and down through our entire lifetime.

The CHAIRMAN. But we find it impossible to trace the effect of the duty on hides from the beginning to the end of the whole controversy.

Mr. COWAN. It has been impossible for me to trace it into the leather or into the shoes. But I do say that if it is correct, as testified by the leather and shoe men, that the duty makes the price of hides enough higher that, were it taken off, they could reduce the price of shoes, I do say that the farmer and raiser of live stock ought at least be given the opportunity to get it, whether he gets it or not.

Mr. COCKRAN. You may be compelled to say that even though the proceeds of this duty did not reach the farmer, but was seized by the packers, as testified here, nevertheless you would want the duty continued on the chance that the farmer might get it hereafter?

Mr. COWAN. Not if I accept the correctness of the premise.

Mr. COCKRAN. The chairman put a question there concerning the statement which was made here by Mr. Jones, and another made subsequently by another witness, whose name I have forgotten, which indicated that this tax, or the result of it, would never reach the farmer, and you said that you considered it a mere assertion on his part. He went further than making an assertion; he gave the reasons on which he based it. He stated this, and I would like to get your view upon it: In the nature of things the value of hides is a negligible quantity in the purchase of cattle; that stock was purchased solely with reference to the demand for beef; that it was the beef quality that decided the price, the selling price, of the animal;

and for that reason the hide was put aside as a mere incident to the killing, as the farmer was never able to hold cattle back or sell them, according to the price of their hides, if he wished to promote his own profit.

Mr. COWAN. Well, I think the committee had better investigate that rather than accept Mr. Jones's statement.

Mr. COCKRAN. And he makes that definition between a hide, for instance, and the wool on the sheep. The wool on the sheep, he contended, was taken off the animal, packed, and sold, and the animal remained alive to produce another crop of wool. But you can not sell the hide separate from the animal, and that as the value of the hide was of little value compared with the total value of the animal it was a negligible quantity in determining its price. That was his position. What do you say to that?

Mr. COWAN. I read that. I do not agree to that position at all.

Mr. COCKRAN. Do you mean to say that an animal would be sold for his hide; that that is conceivable in the ordinary course of trade?

Mr. COWAN. Not of course ordinarily; not in enough cases to be considered here.

Mr. COCKRAN. Do you think it has ever been the case that an ox has been sold for his hide?

Mr. COWAN. Well, how much do the canner cows bring? We have sent canner cows from Texas, and sold them at a cent and a half a pound, when three-fourths of the value was in the hide. The trouble about Mr. Jones was that he knows about leather, but does not know anything about cattle.

Mr. COCKRAN. Do you say that part of the cattle industry of Texas is the shipping of a certain brand of cattle to be sold for their hides?

Mr. COWAN. No; I did not say anything of that kind; you misunderstood me. I say that train load after train load of canner cows are shipped from Texas, Colorado, and Mexico and sold mainly for their hides, because they only bring $1\frac{1}{2}$ cents on the market.

Mr. UNDERWOOD. What is a canner cow?

Mr. COWAN. One that is not fit for beef at all in the way of the cutter; that is, you could not cut the beef on the block because the animal is too poor. They are poor, are going to die on the range if not shipped, and they ship them, thousands and tens of thousands of them. I think the President of the United States got into that over in Montana in a certain instance.

Mr. CLARK. They make braised beef out of them?

Mr. COWAN. You will have to ask the tanner. He probably knows; I do not.

Mr. COCKRAN. That is a very important suggestion to place before this committee. Suppose when you prepare your brief you show, with some degree of accuracy, what proportion of cattle shipped from the range could by any stretch of reason be considered as valuable solely or chiefly for their hides?

Mr. COWAN. I will endeavor to get that information from the commission firms at the stock yards. I doubt if the information can be found anywhere else. But I wish to show that I can establish beyond a possibility of doubt, to any fair-minded man—I hope I would not undertake to establish it to anybody else, and I take it every member of this committee is a perfectly fair-minded man—I can establish beyond a reasonable doubt that the value of the hide is just

as much an integral part of the value of the steer as tallow, oleo, oil, and beef, horns and hoofs, everything that comes from that steer.

Mr. COCKRAN. Nobody disputes that.

Mr. COWAN. If that is not disputed, then Mr. Jones's contention goes down.

Mr. COCKRAN. That is perfectly evident; but what Mr. Jones said was—and this is what I called your attention to—that while the hide was an element of value and of considerable value to the packer, that since the animal was disposed of without reference to the hide at all, and solely with reference to the beef value, as the demand was for beef, not for hide, the farmer was unable to include the hide among the elements of value for which he could collect payment of cattle.

Mr. COWAN. It seems to me that the very acceptance of the argument Mr. Jones made, without a challenge at the time, would seem to indicate that there had not been that degree of investigation made with respect to the subject—

Mr. CLARK. But it was challenged at the time.

Mr. COWAN. I said assuming that it was not.

Mr. CLARK. But it was.

Mr. COWAN. All right, then.

Mr. COCKRAN. You do Mr. Calderhead an injustice, for he did not overlook that element.

Mr. GAINES. You have some trouble in understanding why 50 pounds' worth of hide is of no value to the original raiser of the steer, but that 3 pounds' worth of leather will make 50 cents difference to the ultimate purchaser of the shoe, have you not?

Mr. COWAN. I seem to be possessed of a poor quality of reason; I can not understand that.

Mr. GAINES. I am having the same difficulty myself; I do not believe it.

Mr. COWAN. I want to read something from a man whom I think knows; a man who has a better opportunity to know than Mr. Jones would have. What Mr. Jones says about leather we may accept, but upon what he says about beef and hides we want to first qualify the witness. The contention that the farmer gets no advantage from higher priced hides is absurd—this is from my brief—in view of the fact, and that the hides are bought by the tanners from the local butchers. That the price of the hide is an important factor is so well stated in an article written by J. A. Spoor, president of the Union Stock Yards, of Chicago, appearing in the Live Stock World of January 1, headed "Live stock trade of 1907," that we copy as follows—and I want to direct this particularly for Mr. Cockran's consideration, in view of his questions. This is a quotation from that article.

Mr. COCKRAN. This is from one of the packers?

Mr. COWAN. No, sir; it is Mr. Spoor, president of the Union Stock Yards, and which the packers have no interest in whatever, at least that is what they tell me; I do not know.

Mr. COCKRAN. It is also understood—claimed by them—that they have nothing to do with the tanning or leather industry?

Mr. COWAN. I don't know. I did not make any such claim; I don't know. I will read this (reads):

No. 1 packer's heavy native steer hides made a decline from 16½ to 16¼ cents in January, to 11½ cents to 11¼ cents in December, 1907, or more than 28 per cent, making a difference in this item alone of nearly \$4 per head in the re-

turns from medium to prime native steers, while packer's prime tallow declined from 6½ cents to 7 cents in January to 5½ to 5¾ cents in December, or over 18 per cent, making a further difference in returns of about \$1 per head, with the decline still greater on the poorer classes of hides and cheaper grades of tallow, and there was a similar decrease of values for all other by-products.

Now, if you will take the market reports of cattle of that grade, you will find a decline of cattle during that time, and why? Because, as I said, 44 per cent of the cattle brought to the Chicago market were bought by men who took the cattle and the hide away from there.

The CHAIRMAN. Did not beef in the carcass decline at the same time?

Mr. COWAN. I have not seen a statement of that, but I assume that it did. The butchers told me that the beef which the packers have in their coolers, and which our butchers go to buy in the carcass, declined somewhat in proportion to the value of the cattle. We have at Fort Worth two packing houses, and we have independent killing establishments. They all buy their cattle from the same pen—from the same men—sell the meat and sell the hides, and to attempt to show that the hide value cuts no figure, to my mind is to dispute an argument—

Mr. LONGWORTH. According to your figures, what was the rise in hides from 1905 to 1907?

Mr. COWAN. My recollection is, from this table here, that in 1907 there was a big increase, and I suppose there was the world over.

Mr. LONGWORTH. Can you tell what the price of cattle was in those two years?

Mr. COWAN. I have made no table of that, because I assumed that every gentleman who knows anything about the cattle business knows that it is almost impossible to tell what the real price is upon the market from quotations in newspapers. You get the range of prices. You take two train loads of steers, each weighing an average of 1,000 pounds, and they sell side by side with half a cent difference because of appearance and the place where they came from. A buyer for the packers would buy with respect to killing per cent in that class of cattle—one man comes from Iowa, another from Minnesota, another from Texas, and these packers have found out, as I suppose all killers do, that cattle from different places, under different conditions, have a different killing per cent; and so, while I could not tell the difference, and perhaps none of the committee could, and would be just as apt to buy one 5 cents under as the other, yet expert buyers for packers will make a difference, for they learn something of that by experience. But it is almost impossible for us to take a market report and compare the price of a thousand-pound steer at one time and a thousand-pound steer at another time, and know whether there was really an increase or a decrease in the price of cattle.

Mr. CRUMPACKER. Do you know, in a general way, of the value of the by-products of the steer and the comparative values of the meat in the hands of the packer?

Mr. COWAN. I did not try to work that out. I brought along with me the report of the Bureau of Corporations on the beef industry, in which it seems to have been very carefully worked out. While the stockmen did not admit that the packers did not make any more profit than was included in that report, no one that I know of has

ever disputed the accuracy of the figures in that report; and that does set out in detail just what every part of the animal amounts to in dollars and cents. But I thought it would not be necessary to copy much of that, though I have referred to some of it in my brief. But that is a source of information that I think is reliable.

The CHAIRMAN. Have you worked out the importing price of hides with the market prices for a series of years? Find out how much of the duty was added in our market to the price of hides, the whole 15 per cent, or 5 per cent, or what?

Mr. COWAN. I have not worked that out. I have not had access to a reliable report of the prices of imported hides.

The CHAIRMAN. The facts on that would be interesting.

Mr. COWAN. Undoubtedly; and I shall get them if I can. I wish to say this: From my investigation of it I believe, and it is a personal belief, that the advantage of a home market, the insurance of the effect of the tariff, whether it shall always amount to a difference in the price to the amount of the tariff, but the effect of a tariff, however, tends and probably does keep almost all of our hides for sale in this country. It tends to exclude from importations any excepting that which is needed in addition to that we supply. That being so, we sell our hides at home, and in doing that we save ourselves the great length of time that it requires to ship to a foreign country.

The CHAIRMAN. Did we not export the raw hides before the duty in quantities?

Mr. COWAN. I do not know.

The CHAIRMAN. That would have some bearing on your argument?

Mr. COWAN. Now, I am going to make this statement in conclusion: If it be true, as these tanners say, that they would go to the South American countries and to Mexico and wherever else they could and buy hides and get them cheaper and reduce the price of shoes and leather, then our hides have got to be sold to somebody else. There would be established somewhere a world's market for hides, and it would upset the trade and leave a matter of grave uncertainty. It would force the farmer to seek the markets of the world for what he makes, and upon the theory that he must patronize the home market for what he buys. The appeals to the farmer throughout this country were very unfair; and only in case of certain great benefits to the public, which unmistakably will flow to the public, ought this committee ever to disturb the tariff on hides. It is not for me to advise the committee what it should do, but we can tell it what we want it to do. But we do not want them to disturb this tariff on hides on any such flimsy, uncertain, contradicted, and sophistical arguments as have been offered by the tanners and shoemakers of this country. And I ask the privilege of going through this evidence and reviewing it according to what I think it proves, and according to what I can gather of the facts, and bring forward my proof at a later date before this committee.

The CHAIRMAN. About when?

Mr. COWAN. Well, it takes time, valuable time, to do that. I had assumed that this committee was not expected to report a bill at this session of Congress, and the officers of our stock association have taken no interest at all. They saw in the papers that the leather men and the shoe men were appearing here—

The CHAIRMAN. Well, I think that is rather remarkable in view of the fact that the leather men have been trying to get the duty off of hides for years, and that it has been published all over the United States. Reports have been published during the last ten months that this committee would take this matter up this fall, and I think it is remarkable that you are not prepared now.

Mr. COWAN. Mr. Chairman, have you thought that because a citizen of the country, or any class of citizens, had not come forward to controvert what anybody else says, that there should be judgment by default?

The CHAIRMAN. I was asking that with a view of incorporating in our print—

Mr. COWAN. But you said a moment ago that you thought it remarkable we were not prepared. It is not remarkable to me at all, because we took a different view of the subject. You knew what you have just stated; I did not know it. You knew that the shoe and leather men were going to try to take the tariff off of hides, but I did not know that they were coming before this committee.

The CHAIRMAN. As much as any other fact.

Mr. COWAN. I wish to ask the chairman if there was anything published in the papers showing that you were to take up the tariff on hides on any particular date?

The CHAIRMAN. It was published day after day that we were taking up the subject of the general revision of the tariff.

Mr. COWAN. The subject of leather was mentioned in a publication that came to me, I think, but not hides.

The CHAIRMAN. There were published 4,000 or 5,000 items, giving the tariff on them, and it was mentioned that they were to be subject to investigation. It was stated that the whole subject would be subject to investigation; and in addition to that, it is a well-known fact that the shoe men have been endeavoring to get the duty off of hides ever since it was put on.

Mr. COWAN. That, of course, was known; but I do not think we ought to be subjected to criticism.

The CHAIRMAN. Still, I think it is remarkable that you are not prepared.

Mr. RANDELL. I will state that I think there was published in the Fort Worth Record the call of the chairman of this committee for parties to appear before the committee on different days, giving headings of the subjects. That was widely published, although an item of that kind is liable to be overlooked, of course.

Mr. COWAN. Did it say hides?

Mr. RANDELL. I happened to see it myself—

The CHAIRMAN. It was published the next day after election in all of the newspapers of the United States through the press associations.

Mr. COWAN. I looked to see if anything was said about hides in it. If so, I humbly admit my error; otherwise, I would not want to be criticised as being negligent in preparing this case.

Mr. DALZELL. There was nothing said about hides, but the schedule which puts the duty on hides was published.

Mr. COWAN. There are a very few cases where the items appear in the headings of the tariff law, and it happened that the hides appeared in the schedules of leather.

Mr. GAINES. You want to file a brief, and we all want you to do it; and the chairman's suggestion, I think, is that you get it filed as soon as possible.

Mr. COWAN. But it takes a good deal of time, and the chairman stated that I ought to have had it prepared before.

The CHAIRMAN. You will have a chance to offer your brief.

Mr. COWAN. I am satisfied of that, but if you gentlemen make statements of that kind to a witness the newspaper men get it, it goes home, and they say, "Why did you not reply to that?" I am not talking back out of any feeling or sense of criticism of the committee or yourself, Mr. Chairman, but if I did not say something back, when I go home they will say, "Why didn't you reply to that old fellow?"

Mr. GRIGGS. But let me say, Mr. Chairman, that neither leather nor hides are mentioned on this card designating the hearings.

The CHAIRMAN. The schedules mention the subjects to which they apply.

Mr. RANDELL. But the ordinary reader would not understand that hides or leather or shoes might come up.

Mr. CLARK. But this fact remains, Mr. Randell, that the chairman is entirely correct. I do not care anything about that card one way or the other, but—

Mr. COWAN. I want to excuse myself, if you please.

Mr. CLARK. All right.

The CHAIRMAN. Mr. Cowan has a copy of the tariff act, and seems to have all the literature published on the subject.

Mr. CLARK. What I was going to suggest was this, that the chairman's statement is absolutely correct, that this thing has been agitated, this hide question, around here in one way or another and in the newspapers practically ever since the Dingley bill was passed, and it has been thrashed out in the debate in Congress, in the Lower House, for the last four years; and the identical proposition that those New England shoe men were driven to at last was made four years ago next January on the floor of the House when one man was informed very abruptly that he could not get free hides unless he got free boots, shoes, harness, and so forth.

The CHAIRMAN. Which House do you refer to when you say "the Lower House?"

Mr. CLARK. I do not like that term myself, and I will withdraw that "Lower House," and substitute the remark "the most numerous branch of our National Legislature."

Mr. BOUTELL. You might call it the deliberative branch.

Mr. COWAN. The more popular branch.

Mr. GAINES. That is it.

Mr. COWAN. I wish to read in the record, or have the stenographer copy in the record, the schedule giving the days on which the different subjects were to be taken up, to show why the western stockmen have not made any preparation to come here.

The CHAIRMAN. That has been published time and time again, and I do not think we will publish it again in the record.

Mr. COWAN. Well, I would like to have it there; it is very short.

The CHAIRMAN. There is no objection excepting that it takes up space.

Mr. COWAN. It will not take up much.

(Following is the schedule referred to:)

The Committee on Ways and Means will hold hearings on tariff revision at Washington, D. C., commencing on the following dates:

Tuesday, November 10, 1908, on Schedule A—Chemicals, oils, and paints.

Thursday, November 12, 1908, on Schedule H—Spirits, wines, and other beverages.

Friday, November 13, 1908, on Schedule F—Tobacco, and manufactures of.

Monday, November 16, 1908, on Schedule E—Sugar, molasses, and manufactures of.

Wednesday, November 18, 1908, on Schedule G—Agricultural products and provisions.

Friday, November 20, 1908, on Schedule D—Wood, and manufactures of.

Saturday, November 21, 1908, on Schedule M—Pulp, papers, and books.

Monday, November 23, 1908, on Schedule B—Earths, earthenware, and glass-ware.

Wednesday, November 25, 1908, on Schedule C—Metals, and manufactures of.

Saturday, November 28, 1908, on Schedule N—Sundries.

Monday, November 30, 1908, on Schedule J—Flax, hemp, and jute, and manufactures of.

Tuesday, December 1, 1908, on Schedule I—Cotton manufactures; and on Schedule L—Silks and silk goods.

Wednesday, December 2, 1908, on Schedule K—Wool, and manufactures of.

Friday, December 4, 1908, on sections 3-34, and miscellaneous matters.

Mr. Chairman, I have attempted to answer in the brief many of the questions that have been asked. If I attempted to answer others at this time I would take up too much time. I do not wish, at this time, to attempt to argue out the various questions which you will find presented in this brief; and if this committee expects to hold sessions from now on until the holiday adjournment, I will undertake to prepare the answer and forward it here for filing before the committee closes its hearings. If it holds hearings, and as I have seen it stated in the papers, this committee will ask the House to pass a resolution to continue the hearings—

The CHAIRMAN. What date did you set?

Mr. COWAN. I was speaking of the holiday adjournment, and that generally takes place about the 19th or 20th. I will attempt to get it before the committee before that.

The CHAIRMAN. I do not think this committee will have a holiday adjournment.

Mr. COWAN. The Texas members will take a holiday adjournment; I don't know about the other gentlemen. But we will file arguments in specific reply to particular things which Mr. Cockran, Mr. Clark, the Chairman, Mr. Boutell, and others have called to our attention; and such others as we think necessary, in typewritten form. That I will send from Fort Worth because I will have to go back home, but I will undertake to get it here by the 16th or 17th.

Mr. BOUTELL. I would like to ask one or two questions which I made a memorandum of. Your home is in Fort worth, is it not?

Mr. COWAN. Yes, sir.

Mr. BOUTELL. And they have some considerable packing industry in that city?

Mr. COWAN. Yes, sir; Armour and Swift each have a modern packing house, and there is a very large business going on there.

Mr. BOUTELL. I understood from your statement that about 13,000,000 of large cattle were slaughtered a year.

Mr. COWAN. I take that from the Bureau of Animal Industry. It was given to me yesterday, and is printed in this brief.

Mr. BOUTELL. Assuming that figure is correct, then the proportion of this slaughter by the large packers was 5,000,000?

Mr. COWAN. I have stated it at that.

Mr. BOUTELL. And there were 8,000,000 killed by the smaller packers or the local butchers throughout the country?

Mr. COWAN. That is what the department reports.

Mr. BOUTELL. Yes. Now, the chairman stated it as a fact, which is assumed to be correct, that where the raisers of cattle sold them for beef they were compelled to sell them at one time—when they were ready. If that is a fact and applies to the raisers of the 5,000,000 cattle who sell to the larger packers, it would apply with equal force, would it not, to those who raise the other 8,000,000?

Mr. COWAN. Yes; it is like selling a watermelon; you have to sell it when it is ripe.

Mr. BOUTELL. So that if the larger packers do anything with reference to dictating the price to the farmer they do that to the raisers of 5,000,000 cattle out of the 13,000,000, and if anybody dictates the price to the farmer for the other 8,000,000 cattle it is dictated by the smaller packers or the local butchers, is it not?

Mr. COWAN. That would seem to follow.

Mr. BOUTELL. Then if the large packers have anything to do with regulating the price of hides by holding them back or by dictating it, that would apply, would it not, to the 5,000,000 hides which they held?

Mr. COWAN. If they could raise the price of the hides, the other fellow would get the price, too.

Mr. BOUTELL. Exactly; and the men who held the 8,000,000 hides could hold theirs back in the same way, could they not?

Mr. COWAN. As far as I can see. I know they do hold hides, and the bankers will tell you so. The bankers all over this country are in the habit of advancing money for stored hides. You will find that going on in every large city all over the country. Everybody stores hides and holds them.

Mr. BOUTELL. And if the men with the large number of hides, making up, in the aggregate, 5,000,000, to-day do that, those who hold 8,000,000 hides, in the aggregate, can do the same, can they not?

Mr. COWAN. They can if they have the money. It is just like trying to hold cotton. The farmers are holding cotton now, but they can not hold it forever; and that is the case, I assume, with the men in the hide business to a greater or less degree.

Mr. BOUTELL. In a very interesting article written some years ago by an English traveler after his visit to the Fort Worth, Kansas City, Omaha, and Chicago stockyards, he said that nothing had done so much to increase the value of cattle to the raiser in the United States as the establishment of these large centers for slaughtering, and then he used this remarkably picturesque description: That from his observation of the killing and packing and selling, if you would drive a steer onto a fair linen cloth, after it had been slaughtered and the material in the steer disposed of, there would not be enough left that was not used for utilitarian purposes to make a spot on that linen. If that very picturesque description is anywhere near true, it is certainly very uncandid, is it not, to say that nothing but the beef in that steer gives it a value to the raiser of the steer?

Mr. COWAN. That would seem to follow, even without accepting the Englishman's premises. The linen-cloth business gets beyond me a little.

Mr. BOUTELL. I say if anything like that is true, is it not at least uncandid for anyone to argue that there is nothing in the steer that gives it value to the owner except the beef?

Mr. COWAN. It would be uncandid. Those arguments are offered by men who manifestly do not know a thing about the subject. They know about leather, but do not know anything more about beef—well, they do not know anything about it.

Mr. BOUTELL. With what seemed to me lawyerlike acumen and judicial candor you have refrained in your entire argument from referring to what is designated in the press as the "beef trust." Do you know of any such corporation or organization?

Mr. COWAN. Oh, of course we all know that commonly the big packers—Armour, Swift, and Morris, and the concerns which they own under various names—are called the beef trust. Everybody knows that. And the beef trust is like every other trust—the beef trust is a trust when it can be a trust, and it is not a trust when it can not be a trust. Now, that is the whole cheese. If there is a short supply of cattle in the market, the beef trust has got to buy cattle to supply its trade, and it pays for them what it can get them for. If there is too big a supply, it is "We have got plenty," and the seller can not sell, and the cattle will go down, and the price of cattle will fluctuate every hour in the day and every day in the week; it will fluctuate a large per cent up and down every week and every month, largely dependent upon the amount that comes on the market.

Mr. BOUTELL. But, as a resident of Fort Worth and as a lawyer, and engaged in the cattle business, do you know of any organization or combination that can be called a beef trust?

Mr. COWAN. I do not; but most of our people believe that there is a combination between the packers to fix the price of beef. Now, of course, whatever sort of combination they need, just like the tanners, they have got; but combination or no combination, you can not control the market. If there is not a big enough supply, or if there is an oversupply, the market controls itself. You do not need a combination. It goes up or down anyway.

Mr. BOUTELL. What this committee wants is the fact, the accurate fact. There was a broker in here complaining about the price of glue. He was a commission man in glue, and he said that the packers had destroyed his business. I had a letter this morning to insert in the files here, from the president of the Diamond Glue Company, of Chicago, who says he has nothing to do with the packers, and that he manufactures more glue than any packer. And so we have had the man who was engaged in pulling wool off sheep hides tell us that the beef trust had assumed all the wool-pulling business and regulated the price of pulled wool; and then it subsequently developed from the testimony that fleece wool regulated the price of pulled wool, and that they went up and down together, and that the beef trust had nothing to do with it. Now, we come back to the testimony about hides, and the question whether you know of any actual combination which is known as the beef trust. Do you know of any such combination?

Mr. COWAN. I do not. Of course, I know that the cattlemen have contended that there is. It has been the general opinion among stock-

men, and I dare say the general opinion in the country, that there was a combination of packers, which we have all denominated a beef trust. I do not think that it has anything whatever to do with this case, because the question as to whether they dominate the price of beef is an entirely different proposition from the question as to whether they dominate the price of hides, and the man who makes the argument that because it is a trust in beef, assuming for the sake of the argument that it is, that therefore it is a trust on hides, is like your wool-pulling man; he is trying to pull the wool over your eyes. There is nothing to it, because the hide proposition is an entirely different thing.

Just a moment on that point. To take care of beef is a very different thing from taking care of the products of pork. There are a thousand places in the United States where hogs are killed, and probably better bacon and hams are put up, or as good bacon and hams are put up, as the packers put up, but to undertake to take care of the beef of the country, in the first place, involves a very large investment for plant. You have got to kill in large quantities, and you have got to kill where you have a constant supply in the market. You must have an outlet, so that as the cattle flow in the beef flows out to the consumer. You must be certain you can dispose of the product, and that calls for refrigerator cars and certainty of transportation, large storage houses, agencies scattered all over the world. The ordinary man can not go into the beef-killing business at all. The packer has got that class of men sewed up, except the man who can kill for local consumption in large towns. It is impossible to start a packing business without at the same time starting the means of disposing of your product. But that has nothing in the world to do with hides, because they are packed down in cellars, and salted down, and anybody can do it; and I hope that the committee will draw that distinction.

Mr. BOUTELL. It does not take any large plant to keep the hides. You and I can go out and kill our cattle and salt the hides down and keep them for sale at any time. The man with one hide can keep it as well as the man with a hundred thousand hides can keep them?

Mr. COWAN. Yes; but the reason that the packers can sell the hides so much better is that the packer's skinner does not cut the hide. You go into a packing establishment and they can locate a man who cut a hide at any spot. If he cut it on the leg, or on the rump, or on the side or the shoulder, they will know the man who did it, and as a result they cut no hides, and their hides are taken off and taken care of in the best possible way, and they are worth more money than hides that are not so taken care of. But the subject of handling hides is just as separate from the matter of handling beef as the subject of handling sand rock is from handling mortar. They are two entirely different propositions.

Mr. CRUMPACKER. Does not the meat-inspection law tend largely toward concentrating the business of slaughtering and packing into the hands of the great city packers?

Mr. COWAN. Not at all; just the contrary. The total slaughter of the big packers has declined since the meat-inspection law went into effect. When the law went into effect, it gave everybody the same rate on the railroads, and it did not permit any discrimination in rates and when anybody could ship his cattle on the same rate that

anybody else could ship on, and presumably had the same rate on beef, could get his cars and handle his business, the business of shipping from these markets or killing places all over the United States very largely increased, so that, as I have shown in my brief, they sell 50 per cent of the total cattle to buyers in two or three hundred places all over the East; and so that the cattlemen have had a price for the most part that has been fairly satisfactory now for two or three years, and sometimes very high.

Mr. CLARK. Whether it is a trust or not, the big four do fix the price of beef and cattle, do they not?

Mr. COWAN. I think so. I do not mean that they meet and agree about it, but what their buyers bid for the cattle fixes the price right at St. Louis.

Mr. CLARK. If they do not meet and agree about it, it is a very strange accident that they always go into the cattle pens and offer the same prices, is it not?

Mr. COWAN. Well, I would not want to try to argue that out. It would seem so. But when I see the order buyers do the same thing—

Mr. COCKRAN. What kind of buyers?

Mr. COWAN. The order buyers. The commission houses at the big markets all have order buyers. They have buyers as well as the salesmen, and they will receive an order from Philadelphia or Pittsburg or any one of a number of places over the country for so many of this or that kind of cattle, and those buyers go in just like the other fellows.

Mr. CLARK. Then they have a combination, too?

Mr. COWAN. I do not know. They say they have not.

Mr. CLARK. That is as plain as the nose on your face.

Mr. COWAN. I do not want to be a witness on that.

Mr. CLARK. I asked you that question to lead up to another.

Mr. COWAN. I simply do not know whether they have it or not.

Mr. CLARK. You say, and you state truly, that the prices of beef cattle and hogs bob up and down from day to day?

Mr. COWAN. Oh, yes.

Mr. CLARK. The reason that they bob up and down is that people would quit sending cattle there if they kept the price down to the minimum price?

Mr. COWAN. That does not appear to be the case, if you take the minimum receipts at the stock yards.

Mr. CLARK. Now, I want to ask you about this celebrated Englishman that Brother Boutell quoted, who wrote a gorgeous account of this business. There was another man that went out there and made an examination, and his name was James Rudolph Garfield, before he got to be secretary of anything—I have forgotten what it was.

The CHAIRMAN. Secretary of the Interior.

Mr. CLARK. Secretary of the Interior. He came back here and reported that the packers only made 98 cents a head on the beef slaughtered. Do you believe that?

Mr. COWAN. No, sir; I do not; but I have investigated that, if you will permit me to say so. The cattlemen did not believe that he had arrived at a correct conclusion as to the profit.

Mr. CLARK. Why, no.

Mr. COWAN. We took that report and examined into it—I did, personally—with a great deal of care, it taking me a long time to do it. I came out with the conclusion, and so stated to Mr. Garfield himself, that he had made a mistake in his conclusion, because of the factors used in attempting to make the calculation. I discussed it with him and with his statistician very carefully, disagreeing with them, as they knew, and we went over it in minute detail. I found that so far as his facts were concerned we had no objection to them. He stated how much beef sold at in New York at a certain time, how much it sold at in another city at a certain time, and another one at a certain time, and averages that were obtained by the packers for a certain time, for the beef sold. Then he took the average of the cattle, as near as he could get it.

The difficulty lay in the fact that it was impossible to get an average value of the cattle on any market which went into the beef which he got the price of. You see, unless you traced up the particular bunch of cattle it would be impossible to do it; and I told him and his statistician then that the only way they could ever get at it accurately—and I so stated to President Roosevelt—would be to take particular classes of cattle and follow those cattle from the pens, from the scales where they were sold and weighed, and you would know just what they brought, to the killing room, to the storage room, and follow that beef to the block, and then you would know just the difference between what that beef sold for and what that steer sold for. But to agglomerate a portion of the cattle for an average price on the market and then take some beef that was sold which they report to be of the same quality of beef, but do not pretend to be the same animal, you can readily see that your two factors are so variant that a mistake can be made. I think Mr. Garfield and his statistician intended to make a perfectly honest report.

Mr. CLARK. I do not doubt that for a minute.

Mr. COWAN. But I believe that he came to the wrong conclusion by applying small factors to large transactions; and multiplication with a very slight difference, as you can readily see, would make an enormous difference in the result.

Mr. CLARK. He was really roped in, because those packers had the facts, and they could give such facts as they wanted to give and put their own construction on them; is not that a fair conclusion?

Mr. COWAN. I hardly think that. I am going to tell you just my opinion about it, without regard to whom it hurts or helps, and without regard to any criticism that may be made. I never quailed at criticism one way or the other. When they said in the meat inspection bill controversy the cattlemen stood in with the packers, I said, "You can say it if you want to. We do not want the packers to pay it, and we do not want to have to pay it ourselves." We think the Government should pay it. And the law was passed that way, and it has worked very satisfactorily. I believe you can find out from the books of the packer that he does not generally make anything like the amount on the beef itself that we generally suppose he makes; but you must take into consideration that he has the advantage of manufacturing a great many things which the ordinary killer can not use. To that extent, of course, he is entitled to that profit.

Mr. CLARK. Yes; certainly he is.

Mr. COWAN. To the profit on the by-products.

Mr. CLARK. And if he sold his beef at actual cost, the by-products would make him a handsome profit?

Mr. COWAN. Yes; and you can go and buy the beef hanging in the cooler at very little more than the steer sold for per hundredweight, very often.

Mr. CLARK. All that the packer has done is to take the idea illustrated by Lord Bacon, and in demonstrating which he lost his life.

Mr. COWAN. I do not know whether Lord Bacon was ever in the packing business.

Mr. CLARK. Lord Bacon originated the idea of refrigerating beef, and he died in demonstrating his experiment.

Mr. COWAN. I am glad to hear of that historical experiment.

Mr. CLARK. That is the truth.

Mr. COWAN. There are some who think that he wrote Shakespeare, you know.

Mr. CLARK. I think he did, if you want to know my opinion about it. At least, Shakespeare never wrote it. Now, you say that these packers take 5,000,000 hides off, and that leaves 8,000,000 that somebody else takes off. Two or three of these shoe men testified, and I think they testified correctly, that in addition to the 5,000,000 hides that they take off themselves they have their agents roaming around over the country who buy up these hides from the local butchers, and in that way they control probably three-fourths of the hides of the United States. Do you know anything about that?

Mr. COWAN. Not a thing. It would be well to investigate that before accepting it.

Mr. CLARK. I happen to know that some agents do go around and buy them up.

Mr. COWAN. I simply do not know about it.

Mr. CLARK. You do not know?

Mr. COWAN. I do not, absolutely; and I have never heard of a packer having an agent in Texas to buy a hide in my life. I have been there thirty years. I have been on the range a great deal and have been with the cattlemen, and have never heard of it. They may buy two-thirds of them.

Mr. CLARK. You know that the agents of somebody go around and buy up from these local butchers, do you not, or packers?

Mr. COWAN. I do not know anything about that.

Mr. CLARK. I do, if you do not.

Mr. COWAN. Then you are the best witness on the question.

Mr. CLARK. Another thing; you talk about these canner cows. Nobody in the world ever started in to raise a cow for its hide, did he?

Mr. COWAN. Of course not, in recent times.

Mr. CLARK. These canner cows you are talking about being raised, that was a performance that took place fifteen or twenty years ago, before the people out west and in Texas had graded their cattle up?

Mr. COWAN. No; a canner is just as likely to be a Hereford cow as not. A canner is any kind of an old cow that is not going to get fat; you can see she is not going to get fat, and will not be any good, and it may be a Hereford bred out of one of your Missouri bulls that we buy in such numbers. Any of these men here will tell you that. It may be that a man has a range that on account of the drought has gotten overstocked.

Mr. CLARK. That is what I was going to ask you.

Mr. COWAN. This was fifteen or twenty years ago.

Mr. CLARK. It does not happen so often as it used to, before you graded your cattle up, does it?

Mr. COWAN. I do not think it does. It does not, under my view; but here is the report on the number of canners sold on each market. They have got it accurately, and you can get it accurately from that. I would not want to guess about it. I would suppose there are not that many, but there are likely to be four times as many next year.

Mr. CLARK. But that is an accident of the drought?

Mr. COWAN. Yes; an accident of the drought; and an accident of some sort of defect in the animal, so that it will not get fat. You see some men that will not get fat.

Mr. CLARK. But it is a result of the accident that comes from the drought?

Mr. COWAN. In my country it is.

Mr. CLARK. The truth is, that as soon as you began grading your cattle up with Missouri bulls and from other sources the people of Texas began to take more care of their cattle, did they not, than before?

Mr. COWAN. Undoubtedly. The expense of producing cattle has enormously increased.

Mr. CLARK. That grows out of the fact that the small farmer has taken up the range?

Mr. COWAN. To an extent.

Mr. CLARK. And cattle never will be as cheap again as they have been in the past, tariff or no tariff?

Mr. COWAN. No, sir; it is perfectly impossible. The farmers have gone to growing potatoes and wheat and corn.

Mr. CLARK. Potatoes and wheat and corn will never be as cheap again either, because there are so many people now living in the cities?

Mr. COWAN. I guess that is a good argument. If the people in the cities have the money to buy those things.

Mr. COCKRAN. You told Mr. Clark that the representatives of these four great packing houses—at least I understood you to say so—appeared in the stock yards at these great cities, and always offered the same price for the cattle?

Mr. COWAN. No; I did not say so.

Mr. COCKRAN. I was mistaken about that?

Mr. COWAN. You were mistaken.

Mr. COCKRAN. Do they bid against each other?

Mr. COWAN. That is what everybody tells me. I have talked to 500 commission men about it. I have talked to a great many cattlemen about it, too. They bid against each other when there are not so many cattle there, and when there are plenty of cattle they do not.

Mr. COCKRAN. That is it. When the supply of cattle is abundant they do not bid against each other, but bid the same price?

Mr. COWAN. They bid very close to it.

Mr. COCKRAN. When there is a scarcity of cattle they go into the market and bid against each other?

Mr. COWAN. They bid more.

Mr. COCKRAN. What do you mean?

Mr. COWAN. Let me explain it to you. We have got to assume an actuality—something that has happened.

Mr. COCKRAN. Very good.

Mr. COWAN. We will go to my own home, Fort Worth.

Mr. COCKRAN. Excellent.

Mr. COWAN. Cattle are shipped in from Mr. Garner's district, raised on the grass, a train load of cattle, we will say. They do not generally come in in train loads to the Fort Worth market for sale, but we will assume it. Eight or ten cars come also from Mr. Randall's district in northern Texas; and so we can multiply that until there are 4 or 5 train loads of cattle there in the pens covering 25 or 30 acres. Between the pens run lanes. Now, the buyers of the packers, and those who want to ship on to St. Louis and other places, or the men representing Cudahy, or the men buying for Birmingham packing houses, which once in a while we have, or a man buying for New Orleans, all these men have horses, and they ride along in the lanes. You will find the commission salesman on his horse right along in the same bunch.

The commission man has a salesman who is as shrewd as the packers' salesmen, he thinks. He takes the bid of Jones on his cattle. He says, "Well, I will give you a quarter." He knows what he means by that—three and a quarter, four or five and a quarter; they all know what class the cattle come in. He says, "I will not take that." Another man comes along and gives him 5 cents more. That happens repeatedly every day, whether there is a big or small supply. But when they find out how many there are on the market and they see there is an extraordinary supply, then Mr. Buyer shakes his head and so does Mr. Order-buyer, and so does everybody else, and the salesman is walking the fence, and they will hold those cattle over sometimes until 2 or 3 o'clock in the afternoon, and I have known them to go down to Nelson Morris, at Chicago market, and ask him to come out in person and buy the cattle, because they could not sell them for anything near what they wanted. Of course, that is unusual and nobody but a man like Mr. Morris would do that; and he is dead now. But the buyers bid against each other after you have once started the price.

Mr. COCKRAN. Who starts the price? That is just what I want to know.

Mr. COWAN. The buyer, of course, starts the price. The seller can not sell until the buyer bids.

Mr. COCKRAN. Let me see if I understand. When you speak of the salesman, do you mean the man who is selling the cattle?

Mr. COWAN. Sure.

Mr. COCKRAN. When you speak of the salesman?

Mr. COWAN. I mean the expert man that each commission man employs on the market, who takes charge of the cattle and handles them and waters them and gets them to drink all they will and sells them.

Mr. COCKRAN. That is what you mean by the salesman?

Mr. COWAN. Yes.

Mr. COCKRAN. He fixes a price?

Mr. COWAN. No, sir; the buyer fixes the price. The salesman can not.

Mr. COCKRAN. What I want to get at is this: You speak of buyers from the packing houses. Do you mean to say there is more than one buyer from the packing houses, those buyers competing against each other, or is there just one scale of prices for the packing house?

Mr. COWAN. There is no scale of prices. You can stand on the fence and watch it; it is almost impossible to describe it. A buyer comes along and he says, "I will give you a quarter." He says, "No; I think I can do better." Then the buyer passes along to the pen where the cattle are that come from Mr. Randell's district, and he concludes he will take those cattle, and behind him is a man that looks at the two bunches of cattle, and he thinks he can pay 5 cents more for one of those bunches of cattle. The way they do that is this: The packing house knows what quality of cattle it wants every day. We will say Swift & Co. have got an order to supply their man at Birmingham, Ala., or Chattanooga, Tenn., or Atlanta, Ga., with a certain number of carcasses of a certain class of beef. Armour may not have that order that day. The buyer goes out to buy that certain class of cattle in many instances, or that is what they tell me, and when they do that it naturally happens that the man who wants the cattle the worst might probably pay a little bit more; but if there are plenty of cattle there they both start away down, while if there are only a few cattle and they have got good orders you will see marked up on the board in the cattlemen's exchange, "Cattle 10 to 15 cents higher." Why is that? It is hard to tell, except that the buyer simply offers 10 or 15 cents more, for a multitude of reasons that they perhaps do not discuss.

Mr. COCKRAN. I understand that, but what I wanted to get at is this: So far as the packers are concerned, do they bid the same amount or bid against each other?

Mr. COWAN. Oh, they bid against each other in the way I have named.

Mr. COCKRAN. I understand that, but, generally speaking, I believe you state that these four packers generally bid about the same price.

Mr. COWAN. I think so.

Mr. COCKRAN. That is what I want to get at.

Mr. COWAN. Yes; and so it is on wheat and so it is on everything else.

Mr. COCKRAN. I understand also—I understood you to say—that you did not know whether that was by prior concert or by a kind of spontaneous concurrence.

Mr. COWAN. I would think when they see a large number of cattle coming on for a day that they would concur in it by one of two means, by this spontaneity you speak about or by actual talk about it; and probably they talk about it if they get together. I would think so. I know I would if I was buying cattle, and all of us would, and I assume they do what we would do.

Mr. COCKRAN. These canner cows of which you spoke, am I correct in my interpretation of your testimony in that regard when I take it as your statement that these cows are not raised deliberately, but they represent the failures in breeding or in raising cows that do not fatten?

Mr. COWAN. You understand me correctly.

Mr. COCKRAN. You mean the refuse of the flock; is that it?

Mr. COWAN. Yes, sir. It is an animal that we have got to dispose of or let die.

Mr. COCKRAN. And these cows do not represent deliberate industry, but the failure of industry, the disappointment of industry? They

do not represent fruitful industry, but industry that has failed in its object?

Mr. COWAN. Just like the small apples and the big apples.

Mr. COCKRAN. Exactly. I would like to ask you one more question. Do you know whether the packers as such, the "big four," whether we call them a trust or not, have any interest in the tanning business?

Mr. COWAN. I would suppose that they did. It is generally supposed among cattlemen that the packers control the leather business. I have heard that talked for years. I just want to tell you what I heard about it, and then I want the committee to find out. I was at San Antonio about ten days ago in a matter before the Interstate Commerce Commission, and Mr. J. Ogden Armour and Mr. Meeker, the manager of Armour & Co., came there and came to the hotel. At that time the president of the Cattle Raisers' Association of Texas came to me and told me he wanted me to arrange to appear here before this committee on the hide business. We suggested that the packer did not see that they would have any interest in the matter, probably because he owned the leather and the hides that he bought, of course, and seeing Mr. Armour and Mr. Meeker, we asked that in the way of a suggestive question. We said: "Of course you own the leather and you tan the leather, and you have got no interest much in this subject." Mr. Meeker said that we were very much mistaken. I said "I am surprised at that." He said that Armour & Co. had never owned any interest in, I think it is, the United States Leather Company or the American Leather Company, whatever that big company is. He said that J. Ogden Armour once did own some of the common stock, but that neither one of the big packers had anything to do with it. Now, I do not know a thing about it. I think the committee, though, should find out, because it might be a matter for material consideration as to whether they own the leather production as well as the large business of producing meat or hides. But they said that they had no interest to amount to anything. Now, I do not know whether that is true or not. That is all I know about it.

Mr. COCKRAN. I understand that notwithstanding this denial on their part, it is generally understood among dealers in cattle that they do. That is, I so understand your answer.

Mr. COWAN. I say that has been the common talk; but when the man told me that they do not own it, and it can be found out so easily, I should assume that the thing to do is to find it out. I can not do it, but it ought to be done.

Mr. COCKRAN. Yes; but assuming that they have an interest in that branch of industry, their control over this vast quantity of hides would be an important factor in enabling them to make their domination complete, would it not?

Mr. COWAN. I have not tried to analyze that.

Mr. COCKRAN. All right.

Mr. COWAN. I see it stated here that the packers instead of selling the hides as formerly they used to, have been having them tanned by the other tanners. If that is the case, I do not see that it makes any difference whether they get the hides from their own tanyards or some other fellow's tanyard; and if it raises the price of hides we will get the advantage of it if we can, and if we can not we will have to pay for it.

Mr. COCKRAN. I understood you to say that large quantities of these hides were stored and carried for a long time, waiting for favorable conditions. You said you understood that from bankers?

Mr. COWAN. Yes; I was talking with Mr. Sweeney, of the First National Bank of Kansas City, the other day, and he told me that he loaned money on them. I do not personally know these things, but I tell you that the hides are stored and money is advanced on them all over the United States where there are many hides. I believe that.

Mr. COCKRAN. Exactly. Now, Mr. Boutell asked you if it would be fair or candid to exclude from consideration, when estimating the value of an ox, any element of its by-products, and you said that it would not be fair, and I quite agree with that; but the determining element in fixing the price of cattle is their value as beef—the demand for beef?

Mr. COWAN. That is the largest factor.

Mr. COCKRAN. That is all; and that is the dominant factor?

Mr. COWAN. Yes; but just at this point let me say this: If Congress does as it did do by refusing to permit the manufacturers of oleomargarine to color oleomargarine, and yet permitting the manufacturers of butter to color butter, thus reducing the actual intrinsic value of a fat steer a dollar, then if Congress comes along and takes the tariff off of a hide and reduces it to \$3, where do we expect to get off? Where do we expect to sell the meat if we can not sell the hide or the tallow?

Mr. COCKRAN. I do not suppose there would be any doubt about your selling the hide, because you would still sell the steer. I hope you will acquit this committee, or at least acquit me, of a design to reduce the share of the farmer in our general prosperity, but we are making these inquiries now with a view to finding out—

Mr. COWAN. Just leave it to him.

Mr. COCKRAN. What?

Mr. COWAN. I think you had just better leave it to him.

Mr. COCKRAN. I am not quite so sure.

Mr. COWAN. I think you had better leave it to him than to leave it to the tanner.

Mr. COCKRAN. I will ask you if you have read the testimony of these shoe and leather men? I understood you to say you had.

Mr. COWAN. I have read portions of it. I have not read it quite all.

Mr. COCKRAN. You have read, I am sure, the statement of Mr. Jones, which was a statement in which they all concurred, that given free hides they would dispense with any duty upon the leather and upon shoes, and with that advantage they felt they could practically control the markets of the world in the sale of shoes? I think that is what they said; they would have no fear of any competition. Under existing conditions they were not very successful, but with this duty off they felt they could face any competition and absolutely control the markets of the world.

Mr. COWAN. I read that statement.

Mr. COCKRAN. Assuming that statement to be true, would not the demand for hides be enormously stimulated by any such increase in the manufacture of shoes as must follow such an expansion of the shoe industry?

Mr. COWAN. Not at all.

Mr. COCKRAN. You mean to say that they could manufacture shoes without using the hides?

Mr. COWAN. No, sir; I do not mean to say that.

Mr. COCKRAN. Would not an enormous increase in the manufacture and output of shoes lead to a very greatly increased demand for hides?

Mr. COWAN. I do not think so. I think the wearing out of shoe leather depends upon the number of the population that wears shoes and the length of time they wear them. You are not going to manufacture leather unless there is a use for the leather.

Mr. COCKRAN. Certainly not.

Mr. COWAN. And when this country does what these tanners assume that they can do, manufacture shoes for the balance of the world, what is going to become of the hides they are using over there?

Mr. COCKRAN. But do you not think if it would cheapen the cost of shoes enormously it must result in increasing the consumption everywhere?

Mr. COWAN. It may or may not. If you will increase the ability of people to buy shoes, you will increase the consumption; yes.

Mr. COCKRAN. If you give people more money you will increase the use of shoes, and if you make more leather available by cheapening the cost of it, you will increase the consumption?

Mr. COWAN. Yes.

Mr. COCKRAN. Now, very good. If we come back to the manufacturers of shoes, and the consumption of shoes all over the world is greatly increased by reduction in their price and improvement in their quality, do you not think that would lead to an increased demand for hides that would benefit the farmer more than his possible chance of getting this 15 per cent tariff levied upon a restricted product?

Mr. COWAN. Now, I would not attempt to answer that purely hypothetical question.

Mr. COCKRAN. That is not a hypothetical question.

Mr. COWAN. Because I say it is not going to cheapen the price of shoes, according to their own statement, for every one of them testified that it would not reduce the price of hides.

Mr. COCKRAN. Certainly.

Mr. COWAN. They said there would be such a market for hides that the price of hides would not go down. I say every one of them so testified. That is not true. Some of them so testified. If the price of hides does not go down, how are they to cheapen the price of shoes?

Mr. COCKRAN. I understood Mr. Jones to say that the whole 15 per cent would by no means come off the price of hides, but on the contrary the increased demand would increase the price of these, while at the same time the improvement in the quality of shoes would return more than the amount of the tax to the farmer and to every consumer of shoes in the shape of a better article at a cheaper price and capable of longer wear.

Mr. COWAN. I do not think these fellows are looking after these farmers a whit. I do not believe in that. I think they are plainly after getting money for themselves, and I can not see how anybody else can look at it in any other way.

Mr. COCKRAN. I agree to that; but their contention is that their interest and the interest of the farmer are identical.

Mr. COWAN. They are until it comes to the point of who is going to get the money, and then their interests separate right there.

Mr. COCKRAN. Do you not think it is possible for two partners or the employer and employed to improve the wages of labor and the profits on capital at the same time?

Mr. COWAN. Yes; there is a lot of that conceivable that does not happen.

Mr. COCKRAN. Do you not think it does happen every day around us?

Mr. COWAN. They say it does happen that the farmer is benefited by the tariff on steel and everything else because they employ so much labor and pay them so much money that they in turn buy what the farmer has to sell and make him a better market. Now, I want to say if that is true, and maybe it is, why not give the farmer a better price for his hides so that he can buy more steel; why not keep the tariff on the same principle on which these fellows claim they are entitled to it?

Mr. COCKRAN. Your answer is that if the steel corporation is entitled to advantages under the tariff the farmer wants equal advantage himself?

Mr. COWAN. Make it anything else. Take the maker of ax handles, or anything else.

Mr. COCKRAN. Yes, I understand; but your answer, as I understand it, is that you do not want to go into the question of the effect on hides of the broadening of the market for shoes? That is an abstract question that you do not want to follow?

Mr. COWAN. I will make the general answer to that, that in my opinion the price of shoes to you and me, or those that we will buy for our children, will not be cheapened one whit; that they will say that the cost of labor and the cost of machinery and fuel and everything is increased, and just as the railroads say, should cause an increase in their profits; that their operating expenses have been increased. That is what they will contend, and they will not cheapen the price of shoes one whit, when you take the tariff off of hides.

Mr. COCKRAN. They have decreased the cost of shoes steadily, at least until this present tariff went into effect.

Mr. COWAN. Who have?

Mr. COCKRAN. The manufacturers of shoes.

Mr. COWAN. You mean they have increased it?

Mr. COCKRAN. Decreased it. You must recall the price you had to pay for shoes twenty-five years ago.

Mr. COWAN. I do, because thirty years ago, right after the war, I was storekeeper in my father's store, and we sold brogan shoes, and I say as a general proposition the shoemakers of this country have not reduced the general average price of shoes in my lifetime.

Mr. COCKRAN. Do you mean to say that the general price of shoes, even to-day, is one-half what it was thirty years ago?

Mr. COWAN. Certainly, to people where I live, in the country, out on the farm; that is what it is.

Mr. CLARK. I think we have gone over this whole business, except one small phase of it. Out of these 8,000,000 hides that are taken off by somebody else besides the packers, probably half of the cattle are killed by the farmers themselves.

Mr. COWAN. Nothing like that, I think.

Mr. CLARK. You think it would not be half?

Mr. COWAN. Oh, no. I tell you I do not believe that the farmers do that. You know about Missouri, yourself.

Mr. CLARK. Yes.

Mr. COWAN. And I know how it is in Texas, and you can hardly think of a farmer that puts up his own beef. There are just a few that do.

Mr. CLARK. They do not put it up. I will tell you how they work it. Six or eight or ten farmers, or as many as is convenient to divide the beef up among, go into a club, and one will furnish the beef this week and he will kill it and divide it up, and the next week another man will furnish veal, and so it goes. What I really wanted to ask you is this: The large, heavy cattle, presumably with the large, heavy hides on them, come to the packer, do they not?

Mr. COWAN. If you mean by the packer the four big packers—

Mr. CLARK. I do not mean them.

Mr. COWAN. They go to those places like Cincinnati, Indianapolis, Philadelphia, Baltimore, and Washington. Cattle are bought for the city trade, and heavy cattle are just as much bought and shipped there as they are killed by the packer.

Mr. CLARK. Take these 8,000,000 that are used in the small butcher shops—in towns of two, three, four, or five thousand people—they use, at least in Missouri, and, I suppose, in Texas, a quality of cattle that are called butchers' stock?

Mr. COWAN. Mostly, for those small concerns.

Mr. CLARK. That is, light cattle?

Mr. COWAN. Yes.

Mr. CLARK. Young heifers?

Mr. COWAN. Yes.

Mr. CLARK. And cows that they want to get rid of?

Mr. COWAN. Yes.

Mr. CLARK. And the big steers and really the high-class heifers—the large ones—are shipped off to these packing institutions?

Mr. COWAN. Yes.

Mr. CLARK. Now, the hides on this smaller quality of cattle—the lighter quality—are not protected by this tariff at all.

Mr. COWAN. No; that is where the dairyman has lost out. He does not realize it, and if he finds it out he will make the law just the way he wants it. The dairyman is not getting any protection, and if he finds it out he will carry it the way he wants it, just as he did with the oleo business.

Mr. CLARK. If the hides that come off of the lighter cattle have been increased at all by these Dingley rates, it is a sympathetic business, like they talk about a sympathetic strike. As a matter of fact, they get no tariff?

Mr. COWAN. It is awfully hard to speculate on these things. I do not know; I do not understand the hide market, except that my investigation leads me to think this way, as it does about the tariff. I can not see any good reason for hides to fluctuate as they do. Neither can I see any good reason for these different schedules as I find them in the tariff. I do not know whether it is sympathetic or not; it is awfully difficult to tell why there is a figure fixed for the price of a thing. There is such a multitude of things to determine it—such a multitude of motives, such a multitude of things that happen—that I can not tell a thing about why it is that a hide is worth

11 cents to-day and a month from now it will be worth 12 cents. I can not see any reason for it, and I can not find out any. If it went down to 10 cents I could probably find just as many reasons why it should have gone up. So it is that the price of hides taken off of the animals you speak of is affected by the price that the packers get, by the price of heavy hides. I do not believe anybody can tell why. You can just tell what happens, but not why.

Mr. BOUTELL. Is it not likely the electric telegraph and the cable have more to do with the price of staples throughout the world than any other one factor?

Mr. COWAN. Of course, you gentlemen know more about that than I do; but I think so.

Mr. CLARK. Judge, the dairymen have done more to put up the price of cattle than anybody else by selling their calves off to be killed, have they not? Don't you think that would be a great factor in it?

Mr. COWAN. The dairymen can not raise those calves. They must send them in to be killed. You might as well say that the dairyman has raised the price of cattle by sending them to be killed instead of eating them himself.

Mr. CLARK. But they did not use to send these calves off by wholesale and sell them as they do, but they kept them and raised them.

The CHAIRMAN. They did not raise them by wholesale, did they?

Mr. CLARK. Yes; they raised more cattle twenty years ago in Missouri than they do to-day.

Mr. COWAN. You are mistaken about Texas in regard to that. You may not be as to Missouri.

Mr. CLARK. Has not all north Texas gone into the agricultural business proper?

Mr. COWAN. But let me call your attention to a significant fact. Colorado City, Tex., was the largest cattle-shipping point in the world in 1882. Mitchell County, Tex., was devoted to the cattle business exclusively. To-day, while I do not know that I can name the amount now, last year they shipped 25,000 bales of cotton from Mitchell County, and the tax assessor told me they had more cattle there than they had when I left there in 1892.

Mr. CLARK. I know, but that is an exceptional case.

Mr. COWAN. I do not know that it is; but I know that our cattle assessment for the State of Texas, printed on a page of the Houston Post, showed the number of cattle assessed in each county, and it would surprise you if I told you that Harrison County, in which Houston is, had more cattle than many of the counties of western Texas, where they devoted themselves exclusively to cattle.

Mr. CLARK. But the county where Houston is is a great deal above the average county of Texas?

Mr. COWAN. Not for the cattle business.

Mr. CLARK. For any business?

Mr. COWAN. No, sir.

Mr. CLARK. Is that in the black waxy belt?

Mr. COWAN. Some of it is, but largely piney woods. But this is true and important, and you can take it in counties in Kansas, and I am perfectly certain that it is true. I have no statistics, but I have been all over the State, and I believe you can pick out any county

there and find more cattle than lived on the grass when it was unfenced and open country.

Mr. CLARK. All north Texas has gone into the agricultural business proper, has it not?

Mr. COWAN. That is true, but you will find some cattle on every farm.

Mr. CLARK. I know that. We have them up in our country, but they are not devoted wholly to the cattle business.

Mr. COWAN. Our statistics show we have increased our cattle. We have 9,000,000 cattle in Texas now, but the assessment does not show that much increase. The cattleman says every year, "We are not going to have a big crop of 2-year-olds or 3-year-olds," but the crop turns up, every time.

Mr. CLARK. The average farm does not exceed 200 acres in Mr. Randell's district, does it?

Mr. COWAN. I suppose not.

Mr. CLARK. I supposed, too, that in north Texas the average farm was a thousand acres until I noticed the houses pretty thick along there, and I asked a man on the train who seemed to be a pretty good, sensible sort of a citizen, and he said that the average farm in north Texas would not exceed 200 acres.

Mr. COWAN. I guess that is so. I undertake to say that Grayson County, the county in which Mr. Randell lives, has more cattle in it to-day than it had thirty-five or forty years ago when it was a grazing country.

Mr. CLARK. Is the supply of cattle in proportion to the population of the United States as great as it was twenty-five or thirty years ago?

Mr. COWAN. Yes; I have that in my brief. I have lots of information here. That is another thing that made me say the tanner does not know what he is talking about. The tanners said that the tariff had not stimulated the increase of cattle. I do not know how they know it. I read this at the outset:

The total number of cattle reported in the census return for the year 1897 in the United States, including milch cows and other cattle, was 46,450,000.

That was in 1897. The total number of cattle reported for 1908 is 71,267,000. I have a statistical abstract here in which I think I can go back about forty years for you, if you want it. I have referred to these books in my brief. It is hard to find these things offhand.

Mr. CLARK. Put that in your brief. All we want is the information.

Mr. COWAN. Farm animals in this time have become the most important thing there is in the entire agricultural products, except grain and cotton.

Mr. COCKRAN. Are you quite sure about those figures? Is it over 46,000,000?

Mr. COWAN. I am absolutely sure what I read is correct, in my brief. They might have made a mistake in copying it. Here it is. You asked me about twenty-five years ago, Mr. Clark?

Mr. CLARK. Yes; twenty-five or thirty years ago.

Mr. COWAN. Twenty-five years ago. Well, I can go back to 1884.

Mr. COCKRAN. 1884? That is twenty-four years ago.

Mr. COWAN. In 1884 there were of milch cows 13,501,000 head. Of other cattle, including beef cattle—all other cattle—there were 29,046,000 head. Now, you can see what the ratio of increase has been, and here it is put down year by year, so that Mr. Tanner did not know what he was talking about when he said the cattle were not increasing in the country.

Mr. COCKRAN. When you make up that brief and show the comparative increase of cattle during the last number of years, will it be possible for you to show how other elements of production have increased in the meantime?

Mr. COWAN. The way to do that is to get the bulletins from the Agricultural Department. Now, I did not quote much from that source because some committee here told me once that they did not want to print documents that are printed in public offices; but if you will get the bulletin that is published each year with regard to the meat supply, and so forth, you will find a wonderfully interesting document. I can put that in if you want it.

Mr. COCKRAN. I think it would probably help the committee a little if you showed in your brief the comparative increases in other products.

Mr. COWAN. I want also to call attention to the report on leather, boots, and shoes in European markets by Mr. Arthur B. Beckman, special agent of the Department of Commerce and Labor, in support of the statement that they are adopting American methods in machinery and the like in making shoes in Europe, and that the cost of doing it is very much lower than it is in this country; and I offer that suggestion in answer to the confession, if I may call it so, of these shoe men that they would be willing to accept—would be willing to accept—free shoes and free leather. I think that confession was made with the object of getting the clemency of the court in some other directions. I do not believe they will ever stand for it when it comes to the final show down, for the reason that they say, Yes, it costs more to make them.

Mr. COCKRAN. Against that, the fact is that they do sell them abroad.

Mr. COWAN. Here are the statistics of the department itself, that I would rather go by. They have made so many mistakes in what they have said here that I do not care to go by it unless it is verified.

Mr. COCKRAN. I do not suppose that you would claim there was any importation of shoes or any failure to export them?

Mr. COWAN. No; they can not import them against 25 per cent duties.

Mr. COCKRAN. And we are exporting them?

Mr. COWAN. Yes.

Mr. COCKRAN. The author of that pamphlet does not deny that?

Mr. COWAN. No; I say I offer this pamphlet for the purpose of showing that they make them cheaper by our machinery over there, to show that these shoemakers will never stand it to have shoes on the free list.

Mr. UNDERWOOD. Judge, do you think there is any fact that demonstrates more conclusively that the American manufacturer can compete with his foreign competitor than the fact that he does go into the free markets of the world and does compete with him in large quantities and sell his goods in great quantities?

Mr. COWAN. I know; but he does not want to give up his market here.

Mr. UNDERWOOD. Is not that an absolute answer to the argument that he can not compete?

Mr. COWAN. Of course that is an absolute answer to that; but he does not want the tariff taken off here, because he wants to hold this market and also get the other, which is a laudable desire, but it is just like ours. They want to do that to get the money.

Mr. GRIGGS. You have made reference to the farmer in this testimony. Do you represent the farmers or the cattlemen?

Mr. COWAN. I represent the farmers and I represent the cattlemen.

Mr. GRIGGS. Voluntarily in both instances?

Mr. COWAN. Voluntarily?

Mr. GRIGGS. Yes; voluntarily.

Mr. COWAN. I do not know what you mean.

Mr. GRIGGS. Have you been employed to come here and represent the cattlemen before this committee?

Mr. COWAN. Why, certainly; I am not out for my health.

Mr. GRIGGS. Have you been employed by the farmers to come here?

Mr. COWAN. Yes, sir.

Mr. GRIGGS. What organization of farmers?

Mr. COWAN. I stated that when I first started out.

Mr. GRIGGS. I was not here when you began.

Mr. COWAN. I stated that the American National Live Stock Association, for which I am the attorney, for which they pay me and pay my expenses, as much as I can extract from them, are composed of organizations of other stockmen and stock raisers. The largest organization that we have in the American National, in point of numbers, is the Corn-Belt Meat Producers' Association of Iowa. I do not know how many members they have, but a great many, consisting of the farmers and feeders in that State. We also have the organization in Kansas, composed of men who raise cattle in pastures, on the farm, and on the range, and raise the corn to feed them. We also have an organization in Oklahoma somewhat similar. The Texas Cattle Raisers' Association is composed of men engaged in the cattle business, two-thirds of the members being men owning less than 300 cattle, owning cattle clear on out to the Pacific coast and the Canadian line. But the farmer is a stock raiser throughout the West or he is not successful, except in the cotton-growing districts, and a few districts where they raise wheat exclusively. Iowa is dependent upon the stock-raising business. Kansas is dependent upon it. Nebraska is dependent upon it. Texas is dependent upon it, because it is the largest industry outside of cotton in our State.

Mr. GRIGGS. At the same time, every organization you represent has the term "cattle" or "meat" in it, instead of "farmers"?

Mr. COWAN. Why, yes; sure.

Mr. GRIGGS. That is what I was getting at.

Mr. COWAN. In other words, I am representing the people that produce the hides.

Mr. GRIGGS. That is right.

Mr. COWAN. And we want whatever advantage we can get, and we are not here for benevolence, as was indicated by the tanners and shoemakers.

The CHAIRMAN. Your position is that you want the duty kept on hides whether you are certain that it is any benefit to the farmer or not, or whether the removal of it would enable the committee to take the duty off of leather and shoes?

Mr. COWAN. The first part of your suggestion I do not quite accept; that proposition I do not accept at its full extent.

The CHAIRMAN. How is that?

Mr. COWAN. You said that my position was that we wanted the duty kept on hides whether we are certain that the farmer would get a benefit out of it or not.

The CHAIRMAN. Yes.

Mr. COWAN. I do not answer in the affirmative to that. I say we want the duty kept on because we are perfectly certain that he will get the benefit from it.

The CHAIRMAN. Compare that with the remarks you made some time ago and see which is correct.

Mr. COWAN. If I made any statement contrary to that a while ago, I did not mean to.

The CHAIRMAN. If you have read your statement introducing your brief, as I understood you were to do this morning, we will put the brief in the record and go on.

Mr. COWAN. I want to have the brief I have prepared put in the record. I am greatly obliged, Mr. Chairman, for the consideration that the committee has given me.

The CHAIRMAN. Oh, the committee is here to hear people that come before them.

Mr. COWAN. I do not believe I would have taken much time if I had not been asked a number of questions which were hard to answer.

The CHAIRMAN. I think that is quite obvious.

Mr. COCKRAN. We are very much obliged for the information you have given us.

**BRIEF SUBMITTED BY S. H. COWAN, FORT WORTH, TEX., AGAINST
PUTTING HIDES ON THE FREE LIST.**

WASHINGTON, D. C., *December 5, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The American National Live Stock Association is composed of stockmen and associations of stockmen in cattle raising and feeding business in States west of the Mississippi River.

The Cattle Raisers' Association of Texas is composed of cattle raisers throughout the Southwest, in Texas, and the trans-Missouri States and Territories.

We oppose placing hides on the free list. We demand equality of opportunity.

It is singular that so many makers and manufacturers of leather should belabor themselves to get cattle hides on the free list, and in the same breath assert that the consumer will get the benefit.

If the consumer happens to do so, it will be because these gentlemen can't help it. Can anyone fairly doubt their intentions to pocket the "change?"

They are equally zealous to tell you that the stock raisers and farmers who produce and sell cattle can get no benefit of the tariff on hides, because, they say, the value of the animal is not affected by the value of the hide, at the same time complaining that hides are too high by the amount of the tariff on account of the tariff.

At the outset, these live stock associations, which now appear in behalf of the cattle raisers west of the Mississippi River; against the proposal to put hides on the free list, make no objection to removing the tariff if it be true, as asserted by the tanner and the shoemaker, that the value of cattle on the market or elsewhere is not affected by the value of the hides on that animal.

Forty-five per cent of the cattle slaughtered are sold on the markets at Chicago, St. Louis, Kansas City, St. Joseph, Sioux City, St. Paul, and Fort Worth. About 5,000,000 per annum are slaughtered by the big packers, and about 320,000 by others at those markets. Total for the past year was about 5,320,000, exclusive of calves. The total slaughter exclusive of calves in the United States is approximately 12,500,000 head. On this basis there are slaughtered elsewhere in the United States 7,180,000 cattle exclusive of calves. Those who slaughter the cattle buy them either at the same markets or at similar but smaller markets and stock yards, to which they are shipped for sale at every important city in the country, or they are bought and driven in by local butchers. Of the 71,267,000 cattle in this country, more than 2,000,000 die of disease or by accident, and from that source comes probably more than 1,000,000 fallen hides.

There are hide dealers at every town and city, being more than a thousand such concerns listed in the yearly directories and yearbooks on hides and leather, who compete in both buying and selling.

It ought to need no more than a statement of those facts to show the absurdity of the claim that the stock raiser can get no benefit from the tariff on hides.

Fluctuations in prices of cattle and the wide range of prices of different grades of cattle are due to such a multitude of causes, more important than the 15 per cent of the hide value, that the attempt to draw the conclusion that the hide value is not even present, be it what it may, is mere sophistry. Precisely the same can be said of the fluctuations in prices of hides ranging to a much greater per cent than the amount of the duty. Such fluctuations prove nothing as to who gets the benefit of the 15 per cent duty.

Of course the consumer wouldn't get it if the packer, the tanner, and the shoemaker could get it for themselves. The situation is such that they can't do it. That is why the tanner wants it off.

The mere amount of the tariff is not the only issue; a home market is, above all, the desirable thing. If you take the tariff off cattle hides, that means that the tanners will stock up on the lowest-priced hides obtainable in the different markets of the world, and bear the price at home accordingly. Hides produced here will have to be sold on basis of the lowest world market, and we will have to ship them to Europe for sale. Thus the taking off of the tariff means a reduction in price much greater than the tariff figures. To satisfy you that such will be, as it was, the case, look at the quotation of hides from time to time. If, in order to market, we must first negotiate a sale and ship to Europe, our own stock raisers and farmers will lose the transportation, all charges, and commissions. The importance of this feature can not be overestimated.

For example, hides consigned to New York from South American points are, as we are reliably informed, being reconsigned from New York to London, because hides are higher in London. Now, the hide dealer in this country can't buy on expectation that such higher price there will continue; hence he must in safety discount enough to account for fluctuations.

The proposals of the tanners means upsetting a market the world over, of which he alone can take advantage.

Is that not "the milk of the cocoanut?"

We trust the committee will be cautious in its action, lest it most injure those who most need its consideration.

1. We must assume in submitting these statements and arguments that on part of the committee there is an intention to deal fairly as between those engaged in different lines of business and as between different localities, and that the investigation is held for the purpose of the ascertainment of facts and conditions with a view of making laws for the whole country and not to subserve some special interest. If the judgment of the committee is to be based on facts, there should be no mistake in ascertaining them. The committee, we assume, is not a tribunal which merely affords an opportunity for interested parties to present their case, but owes the paramount duty to the country to itself ascertain the facts, whether those whose interest may be affected appear or not. No judgment by default, or decree pro confesso, can be had, nor should ex parte statements be taken as true merely because no one has come forward to deny them. That stock raisers and farmers can not be expected to appear individually at Washington, like the tanners and manufacturers of leather, is evident from the fact of the comparatively small interest each farmer or stock raiser has in dollars and cents in the 15 per cent tariff on hides. The aggregate is as large to them as to the leather men, but so difused that they must rest their case with their representatives.

The associations above named, representing the cattle business, beg leave to file this written statement and argument, in answer to the claims of the tanner and leather manufacturers:

1. We insist that if there is to be a protective tariff the stock raisers and farmers are entitled to equality under the law, be it a good or bad law, as well as others, although it enhances the price of their products, because they are denied free access to the markets of the world for what they buy and are made to pay a higher price on account of the tariff on manufactured articles.

2. If the American stock raisers and farmers must patronize the American market for what they buy, they demand in turn the same benefit of furnishing the home supply with what they raise to sell.

3. The American stock raiser and farmer does and will furnish enough cattle hides to supply the consumption in this country unless forced to curtail business by low prices to meet foreign competition.

4. The reduction of cattle values from outside competition by free hides or free cattle, or both, will demoralize the cattle-raising business, lessen our home meat supply, and in the end increase the cost of meat and meat products and hides.

5. Fifty-five per cent of the hides of cattle produced in this country are skinned and sold by others than the big packers and are marketed everywhere. While the level of price has generally been more than in foreign countries from which we import cattle hides, it has

fluctuated between extremes as much as at any of the hide markets of the world.

6. We dispute the claim that cattle raisers do not get any benefit of the 15 per cent duty on hides.

7. We dispute the claim that the value of cattle on the market is not affected by the value of the hides.

8. We assert that it costs the American stock raisers and farmers materially more to produce cattle and hides than it does in Mexico, South America, and Africa.

9. We dispute the claim that the public will receive the benefit of taking the duty off hides, but insist that the very motive which prompts the activity of the tanners and manufacturers for free hides is to pocket the profit themselves.

10. We assert that the tanners have now free access to the markets of the world for hides to make into leather for export, and that the shoe manufacturers are from year to year increasing their exports of shoes.

II. We submit herewith tables showing the commerce in hides, leather, and shoes, and comparative prices and values, covering imports and exports, for the years shown, as follows:

[Tables from "Commerce and Navigation," published by Department of Commerce and Labor, for 1907.]

Imports of merchandise—Years ending June 30.

HIDES AND SKINS OTHER THAN FUR SKINS.

[Goat skins, free.]

	1903.	1904.	1905.	1906.	1907.
Total	85,114,070 \$24,928,729	86,338,547 \$23,971,731	97,863,571 \$26,945,721	111,079,391 \$31,773,909	101,201,596 \$31,375,298
RECAPITULATION.					
Europe	28,284,362 \$7,650,659	23,610,003 \$6,045,880	25,719,106 \$7,070,847	27,943,788 \$7,354,564	24,984,277 \$7,230,054
North America	7,594,785 \$2,576,738	6,982,400 \$2,457,220	7,041,262 \$2,536,391	7,583,198 \$2,968,560	8,552,898 \$3,272,323
South America	8,505,367 \$3,423,705	9,334,242 \$3,833,199	10,155,510 \$4,086,004	9,168,436 \$3,748,422	9,783,131 \$4,110,449
Asia	38,094,809 \$10,676,005	43,203,905 \$10,952,013	50,130,091 \$12,169,113	60,353,396 \$16,267,308	52,121,470 \$15,548,087
Oceania	1,800 \$358	13,810 \$3,154	43 \$13	12,042 \$3,047	15,759 \$2,878
Africa	2,722,947 \$601,264	3,194,187 \$680,265	4,757,529 \$1,083,353	6,018,481 \$1,422,008	5,789,061 \$1,551,507

[Hides of cattle, dutiable.]

	1903.	1904.	1905.	1906.	1907.
Total	131,644,325 \$16,159,902	85,370,168 \$10,989,035	113,177,357 \$14,949,628	156,155,300 \$21,862,060	134,671,020 \$20,649,258
RECAPITULATION.					
Europe	21,556,676 \$2,284,189	6,013,280 \$645,572	17,644,644 \$2,078,274	44,182,223 \$5,419,487	25,366,484 \$3,519,383
North America	33,791,471 \$3,103,633	24,189,244 \$2,283,233	33,206,896 \$3,281,566	39,971,082 \$4,353,672	41,796,004 \$4,741,513
South America	61,670,923 \$8,855,984	43,298,485 \$6,489,459	47,057,860 \$7,444,873	52,225,524 \$9,143,116	49,697,269 \$9,574,598
Asia	14,076,278 \$1,841,339	11,652,428 \$1,539,076	14,326,162 \$2,021,268	18,001,733 \$2,735,288	16,409,285 \$2,582,139
Oceania	113,917 \$10,971	..... .....	313,899 \$31,503	910,393 \$98,292	418,233 \$53,394
Africa	431,060 \$63,776	216,731 \$31,695	597,896 \$92,044	964,345 \$114,205	983,745 \$178,231

Imports of merchandise—Years ending June 30—Continued.

HIDES AND SKINS, OTHER THAN FUR SKINS—Continued.

[All other free.]

	1903.	1904.	1905.	1906.	1907.
Total	102,340,300	103,024,752	126,893,934	158,045,419	135,111,199
RECAPITULATION.	\$16,942,982	\$17,045,304	\$22,868,797	\$30,246,198	\$30,841,989
Europe	76,289,334	77,166,396	97,776,851	122,746,218	98,640,447
North America	\$12,515,444	\$13,156,584	\$18,286,796	\$23,707,984	28,549,037
South America	9,779,840	10,650,516	12,121,683	10,617,378	14,566,200
Asia	\$1,274,510	\$1,316,780	\$1,623,856	\$1,568,104	\$2,256,243
Oceania	5,929,803	6,093,864	6,586,443	8,003,137	4,928,336
Africa	\$1,041,085	\$1,051,404	\$1,070,696	\$1,488,184	\$1,131,150
Europe	4,766,431	3,986,399	4,348,318	9,433,874	9,958,616
North America	\$945,245	\$659,621	\$750,682	\$1,843,654	\$2,073,151
South America	5,528,229	5,099,451	5,755,445	6,950,563	6,535,891
Asia	\$1,161,301	\$857,193	\$1,092,746	\$1,588,100	\$1,713,477
Oceania	46,366	28,126	305,194	294,249	481,709
Africa	\$5,397	\$3,722	\$44,021	\$50,172	\$88,931

Exports of domestic merchandise—Years ending June 30.

HIDES AND SKINS, OTHER THAN FUR SKINS.

	1903.	1904.	1905.	1906.	1907.
Total	12,859,549	32,727,643	10,268,722	10,752,827	15,396,806
RECAPITULATION.	\$1,224,409	\$3,246,887	\$1,051,641	\$1,223,255	\$1,760,032
Europe	7,327,083	23,174,272	7,198,609	9,922,344	14,097,331
North America	\$688,551	\$2,251,697	\$704,850	\$1,114,742	\$1,569,422
South America	5,511,559	9,508,058	3,143,047	826,423	1,133,841
Asia	\$533,259	\$990,030	\$343,816	\$107,501	\$162,727
Oceania	4,300	8,770	865	.....	285
Africa	\$423	\$979	\$91	.....	\$28
Europe	756	3,451	19,611	4,060	165,349
North America	\$122	\$389	\$2,225	\$1,012	\$27,855
South America	15,896	.....	6,500	.....	.....
Asia .....	.....	32,097	.....	.....	.....
Oceania .....	.....	\$3,792	.....	.....	.....
Africa .....	.....	.....	.....	.....	.....

Leather, and manufactures of—Sole leather.

SOLE LEATHER.

	1903.	1904.	1905.	1906.	1907.
Total	37,428,437	36,830,717	44,107,054	40,548,767	31,900,368
RECAPITULATION.	\$6,920,467	\$6,978,497	\$9,444,873	\$8,186,279	\$7,024,313
Europe	35,439,006	33,507,547	26,618,897	34,826,486	28,004,052
North America	\$6,444,209	\$6,186,625	\$4,970,789	\$6,605,888	\$5,904,511
South America	614,425	666,043	694,139	751,255	838,313
Asia	\$125,384	\$133,877	\$138,421	\$100,851	\$185,996
Oceania	23,681	16,672	3,829	1,215	2,555
Africa	\$6,989	\$3,513	\$891	\$270	\$629
Europe	951,813	2,312,508	16,290,457	4,703,053	2,768,241
North America	\$249,304	\$571,995	\$4,227,307	\$1,353,096	\$862,833
South America	163,628	134,055	139,717	72,355	102,953
Asia	\$43,472	\$38,542	\$41,445	\$23,161	\$29,735
Oceania	235,884	193,892	297,015	194,403	187,754
Africa	\$51,109	\$43,945	\$66,020	\$43,013	\$40,609

NOTE.—Average value sole leather, per pound, appears from the foregoing:

	Cents.
1903.....	18.5
1904.....	18.9
1905.....	21.4
1906.....	20.2
1907.....	22.0

Leather, and manufactures of—Sole leather—Continued.

UPPER LEATHER—PATENT OR ENAMEL.

	1903.	1904.	1905.	1906.	1907.
Total	\$122,782	\$170,940	\$166,320	\$143,590	\$157,088
RECAPITULATION.					
Europe	94,267	133,830	98,808	41,154	40,916
North America	6,086	17,201	39,048	56,442	69,249
South America	2,827	3,567	3,868	17,204	5,839
Asia	3,994	4,036	3,110	2,836	905
Oceania	14,061	9,402	18,686	19,418	23,500
Africa	1,547	2,904	7,805	6,536	16,679

UPPER LEATHER—SPLITS, BUFF, GRAIN, AND ALL OTHER.

	1903.	1904.	1905.	1906.	1907.
Total	\$13,493,499	\$15,049,602	\$15,057,791	\$17,242,011	\$17,779,716
RECAPITULATION.					
Europe	12,336,443	13,270,142	13,144,145	14,509,518	15,609,144
North America	389,079	493,306	682,918	832,117	723,707
South America	218,914	392,395	493,288	719,067	603,688
Asia	48,929	95,001	248,047	548,218	389,288
Oceania	450,340	764,697	467,443	613,064	546,326
Africa	49,794	34,061	21,950	20,027	16,563

ALL OTHER LEATHER.

	1903.	1904.	1905.	1906.	1907.
Total	\$982,251	\$1,140,364	\$1,813,154	\$1,822,337	\$2,727,513
RECAPITULATION.					
Europe	376,103	667,228	597,399	788,218	1,243,451
North America	315,620	328,464	412,913	660,780	954,885
South America	15,912	29,411	23,088	31,971	120,338
Asia	8,589	13,510	702,356	310,612	184,638
Oceania	46,027	65,082	50,686	108,262	182,860
Africa	20,000	36,669	26,762	22,962	41,341

BOOTS AND SHOES.

	1903.	1904.	1905.	1906.	1907.
Total.....pounds..	4,197,566	4,642,531	5,315,699	5,672,249	5,833,914
	\$6,665,017	\$7,238,940	\$8,057,697	\$9,142,748	\$10,666,949
RECAPITULATION.					
Europe	1,273,485	1,114,439	1,149,899	1,257,004	1,215,428
	\$2,672,629	\$2,447,368	\$2,472,608	\$2,591,144	\$3,062,988
North America	1,985,768	2,673,082	3,425,111	3,774,655	3,883,866
	\$2,502,465	\$3,300,200	\$4,238,642	\$5,637,349	\$6,167,179
South America	175,122	207,240	206,117	197,549	229,478
	\$210,204	\$282,908	\$325,467	\$363,310	\$458,613
Asia	23,151	22,178	42,332	47,074	35,766
	\$43,570	\$40,672	\$77,277	\$80,868	\$54,782
Oceania	537,949	503,809	362,646	312,869	460,469
	\$942,150	\$936,321	\$673,056	\$552,104	\$792,464
Africa	202,001	121,783	129,594	83,098	58,917
	\$293,999	\$231,476	\$270,647	\$187,973	\$130,923

HARNES AND SADDLES.

	1903.	1904.	1905.	1906.	1907.
Total	\$373,677	\$560,346	\$502,660	\$691,575	\$767,418
RECAPITULATION.					
Europe	30,887	35,274	32,842	47,510	38,002
	\$208,956	\$261,835	\$291,614	\$371,595	\$452,505
North America	56,099	95,898	86,885	121,749	123,630
South America	14,208	19,136	40,611	16,597	31,158
Asia	33,917	131,064	40,269	125,505	56,348
Oceania	34,610	17,139	10,439	8,599	3,775
Africa					

Leather, and manufactures of—Sole leather—Continued.

ALL OTHER.

	1903.	1904.	1905.	1906.	1907.
Total	\$1,064,496	\$1,329,747	\$1,318,046	\$1,491,688	\$1,984,355
RECAPITULATION.					
Europe	257,831	340,218	394,206	387,146	757,052
North America	608,050	751,461	731,036	888,073	988,555
South America	49,060	56,635	45,328	48,252	63,311
Asia	42,158	52,925	54,552	43,350	62,592
Oceania	79,671	113,052	69,098	115,691	94,232
Africa	27,727	15,456	28,826	14,176	18,643

Table showing imports of hides of cattle—dutiable—for ten years, their value and amount per pound.

[From Statistical Abstract, Commerce and Labor for 1907, p. 434.]

	Pounds.	Value.	Per pound. ^a
			<i>Cents.</i>
1898.....	126,243,595	\$13,624,989	10.8
1899.....	130,396,020	13,621,946	10.4
1900.....	163,865,165	19,408,217	11.8
1901.....	129,174,624	14,647,413	11.3
1902.....	148,627,907	17,474,039	11.8
1903.....	131,640,325	16,159,902	12.2
1904.....	95,370,168	10,989,035	12.8
1905.....	113,177,357	14,949,628	13.2
1906.....	156,155,300	21,862,360	13.9
1907.....	134,671,020	20,649,258	15.3

^a Estimate ours (only approximate).

Table showing imports of hides, other than goats and cattle, not dutiable for ten years, and their average value.

[Taken from Table 161, Statistical Abstract, Commerce and Labor.]

	Pounds.	Value.	Per pound.
			<i>Cents.</i>
1898.....	54,607,534	\$7,667,342	14
1899.....	66,965,785	9,877,771	14.7
1900.....	100,070,795	16,539,807	16.5
1901.....	77,989,617	12,995,567	16.6
1902.....	89,457,680	15,054,400	16.8
1903.....	102,340,303	16,942,982	16.5
1904.....	103,024,752	17,045,304	16.5
1905.....	126,893,934	22,868,797	18
1906.....	158,045,419	30,246,198	19
1907.....	135,111,199	30,841,989	22.8

Table showing for ten years exports of boots and shoes.

[From Statistical Abstract, Commerce and Labor, 1907.]

	Pairs.	Value.	Per pair. ^a
1898.....	1,307,031	\$1,816,538	\$1.39
1899.....	1,934,277	2,711,385	1.40
1900.....	3,016,720	4,276,656	1.41
1901.....	3,492,041	5,526,190	1.58
1902.....	3,966,766	6,182,098	1.56
1903.....	4,197,566	6,665,017	1.59
1904.....	4,642,531	7,238,940	1.56
1905.....	5,315,699	8,057,697	1.51
1906.....	5,672,249	9,142,748	1.61
1907.....	5,833,914	10,667,949	1.83

^a Estimates ours (only approximate).

Comparative prices of leather and hides for ten years.

	Sole leather, per pound.				Upper leather, per foot.				Hides, per pound.		Buenos Ayres (duty and paid).		
	Hemlock B. A. & Mont. Mid.		Oak.		Satin.		Kangaroo.		Calfskins.				
	Union No. 1 Mid.	Scoured backs Mid.	Texas sides.	Eastern M.	Western M.	Eastern M.	Western M.	Boarded chrome fin.	Wax, 30 to 35 lbs. av.	Heavy native steers.		No. 1 buff (Chicago).	Calfskins, Chicago and country.
1897—July	19 @20	26 @30	24 @25	10 @13	11 @14				60 @62	8 @9	8 @8	11 @11	18 @18
1897—October	21 @22	31 @32	26 @27	12 @15	13 @15				69 @70	10 @11	9 @9	13 @13	20 @—
1898—January	21 @—	31 @32	25 @26	11 @14	12 @15				52 @54	10 @11	9 @9	13 @13	20 @—
1898—April	21 @—	31 @32	25 @26	13 @15	13 @15				65 @70	11 @11	10 @10	12 @13	20 @—
1898—July	21 @—	32 @33	25 @26	13 @15	13 @15				56 @57	12 @12	10 @10	12 @13	20 @—
1898—October	21 @—	32 @33	25 @27	12 @14	13 @15				70 @72	11 @11	10 @10	12 @12	21 @—
1899—January	21 @—	32 @33	25 @26	12 @13	13 @15				70 @72	11 @11	9 @10	12 @13	20 @—
1899—April	22 @—	34 @35	26 @26	12 @14	13 @15				70 @72	11 @11	9 @9	12 @12	18 @—
1899—July	21 @22	34 @36	26 @30	12 @14	13 @15				65 @72	11 @11	9 @9	12 @12	18 @—
1899—October	23 @24	35 @36	28 @30	13 @14	13 @15				70 @72	11 @11	10 @10	12 @13	21 @—
1900—January	24 @25	35 @36	31 @31	13 @14	14 @15				70 @72	11 @11	10 @10	13 @13	23 @24
1900—April	24 @25	37 @38	30 @31	13 @15	14 @15				70 @72	11 @11	10 @10	13 @13	24 @25
1900—July	26 @25	36 @—	29 @—	11 @12	13 @13				65 @—	11 @—	8 @8	11 @12	23 @24
1900—October	26 @25	36 @—	29 @—	11 @12	12 @14				23 @—	11 @—	8 @8	10 @10	23 @—
1901—January	24 @25	35 @—	30 @—	12 @13	13 @15				22 @—	12 @—	7 @7	11 @12	21 @—
1901—April	24 @25	34 @—	29 @30	12 @13	13 @14				23 @—	10 @10	8 @8	11 @12	21 @—
1901—July	24 @25	35 @—	30 @—	11 @12	12 @13				23 @—	10 @10	8 @8	11 @12	21 @—
1901—October	24 @25	35 @—	30 @—	11 @12	12 @13				23 @—	10 @10	8 @8	11 @12	21 @—
1902—January	24 @25	34 @35	31 @—	11 @12	12 @13				23 @—	10 @10	8 @8	11 @12	21 @—
1902—April	23 @24	33 @34	30 @31	12 @13	13 @14				22 @23	12 @12	9 @9	11 @11	21 @—
1902—July	23 @24	34 @35	30 @31	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1902—October	23 @24	34 @35	32 @33	10 @12	12 @14				22 @23	12 @12	9 @9	11 @11	21 @—
1903—January	23 @24	34 @35	32 @33	10 @12	12 @14				22 @23	12 @12	9 @9	11 @11	21 @—
1903—April	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1903—July	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1903—October	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1904—January	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1904—April	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1904—July	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1904—October	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1905—January	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1905—April	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1905—July	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1905—October	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1906—January	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1906—April	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1906—July	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1906—October	23 @24	34 @35	32 @33	10 @11	11 @12				22 @23	12 @12	9 @9	11 @11	21 @—
1907—January	26 @27	37 @38	34 @35	15 @16	16 @18				22 @25	14 @15	11 @11	14 @15	24 @—
1907—April	26 @27	37 @38	34 @35	15 @16	16 @18				22 @25	14 @15	11 @11	14 @15	24 @—
1907—July	26 @27	37 @38	34 @35	15 @16	16 @18				22 @25	14 @15	11 @11	14 @15	24 @—

Comparative prices of leather and hides for ten years—Continued.

	Sole leather, per pound.				Upper leather, per foot.				Calfskins.		Hides, per pound.		Buenos Ayres. (Duty and paid.)	
	Hemlock B. A. & Mont. Mid.	Union No. 1 Mid.	Oak.		Satin.		Kangaroo.		Boarded chrome lin.	Wax, 30 to 35 lbs. av.	Heavy native steers.	No. 1 Buirs (Chicago)		Calfskins, Chicago and country.
			Scoured backs mid.	Texas sides.	Eastern M.	Western M.	Eastern M.	Western M.						
1897—January	19 @20	29 @30	30 @31	25 @27	12 @—	13 @—				65 @—	84 @8 1/2	81 @—	11 @—	17 @18
April	20 @22	28 @29	30 @31	25 @26	11 @12	12 @13				60 @—	81 @9	81 @—	11 1/2 @11 1/2	18 @18 1/2
July	19 @20	26 @26	31 @32	24 @25	10 @11	11 @12				60 @62 1/2	83 @9	81 @—	11 1/2 @11 1/2	18 @18 1/2
October	21 @22	28 @30	31 @32	25 @27	13 @15 1/2	14 @15 1/2				65 @70	104 @—	91 @—	13 @13 1/2	20 @—
1898—Jan ary	21 @—	29 @30	31 @32	25 @26	11 1/2 @14	12 @15			22 @24	65 @70	11 @11 1/2	10 @—	12 @12 1/2	20 @—
April	21 @—	29 @30	31 @32	25 @26	12 @14	13 @15			23 @24	70 @72 1/2	11 1/2 @11 1/2	10 @—	12 @12 1/2	20 @—
July	21 @—	28 @29	32 @33	27 @28	12 @14	13 @15			25 @—	70 @72 1/2	12 @—	10 1/2 @—	12 @12 1/2	20 @—
October	21 @—	28 @29	31 @32	25 @27	12 @13	13 @15			24 @—	70 @72 1/2	11 1/2 @11 1/2	10 1/2 @—	12 @12 1/2	20 @—
1899—Jan ary	21 @—	30 @31	31 @32	25 @26	12 @14	13 @15			24 @—	70 @72 1/2	11 1/2 @11 1/2	10 1/2 @—	12 @12 1/2	20 @—
April	22 @—	31 @32	34 @35	26 @—	12 @14	13 @15			24 @—	70 @72 1/2	11 1/2 @11 1/2	10 1/2 @—	12 @12 1/2	20 @—
July	21 @22	32 @33	34 @35	26 @30	12 @14	13 @15			24 @—	70 @72 1/2	11 1/2 @11 1/2	10 1/2 @—	12 @12 1/2	20 @—
October	23 @24	33 @36	35 @36	28 @31	12 1/2 @14 1/2	13 1/2 @15 1/2			24 @—	70 @72 1/2	11 1/2 @11 1/2	10 1/2 @—	12 @12 1/2	20 @—
1900—Jan ary	24 @25 1/2	35 @36	37 @38	31 @—	13 1/2 @15 1/2	14 1/2 @15 1/2			24 @—	70 @72 1/2	11 1/2 @11 1/2	10 @—	12 1/2 @13 1/2	24 @24
April	24 @25 1/2	35 @36	37 @38	29 @—	13 1/2 @15 1/2	14 1/2 @15 1/2			23 @—	65 @—	11 @—	10 @—	12 1/2 @13 1/2	23 @23
July	25 @26 1/2	36 @38	38 @—	28 @—	13 @15	14 @16			23 @—	65 @—	11 @—	10 @—	12 1/2 @13 1/2	23 @23
October	23 1/2 @24	32 @33	32 @33	30 @—	12 @14	13 @15			22 @—	60 @—	11 1/2 @—	10 @—	11 @12 1/2	21 @—
1901—Jan ary	24 @25	31 @32	35 @—	29 @30	12 @13	13 @14			23 @24	62 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
April	24 @25	31 @32	34 @—	29 @30	12 @13	13 @14			23 @24	62 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
July	24 1/2 @25	31 @32	35 @36	31 @—	11 @12	12 @13			23 @24	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
October	24 1/2 @25	33 @34	35 @36	31 @—	11 @12 1/2	12 1/2 @13 1/2			23 @24	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
1902—Jan ary	24 @25	34 @35	37 @—	31 @33	12 @13	13 @14	11 @12	14 @15	23 @24	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
April	23 @24	33 @34	36 @—	31 @33	12 @13	13 @14	10 @12	14 @15	23 @24	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
July	23 @24	34 @35	37 @38	30 @31	12 @13	13 @14	10 @12	14 @15	22 @23	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
October	23 @24	34 @35	38 @39	32 @33	12 @14	13 @15	10 @12	14 @15	22 @23	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
1903—Jan ary	23 @24	34 @35	38 @39	32 @33	12 @14	13 @15	10 @12	14 @15	22 @—	62 1/2 @67 1/2	12 1/2 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
April	23 @—	34 @35	38 @40	31 @31	11 @12 1/2	12 @14	10 1/2 @12 1/2	15 1/2 @16 1/2	20 @—	62 @67	13 1/2 @—	8 1/2 @—	12 @—	21 @—
July	22 @—	33 @34	38 @40	30 @31	11 @12 1/2	12 @14	10 1/2 @12 1/2	15 1/2 @16 1/2	20 @—	67 1/2 @72 1/2	13 1/2 @—	8 1/2 @—	12 1/2 @13	21 @—
October	22 @—	32 @33	37 @—	28 @29	11 @12 1/2	12 @14	10 1/2 @12 1/2	15 1/2 @16 1/2	19 @21	67 1/2 @72 1/2	12 @—	9 1/2 @—	11 1/2 @12 1/2	21 @—
1904—Jan ary	23 @—	34 @35	38 @40	28 @29	11 @12 1/2	12 @14	11 @12 1/2	15 1/2 @16 1/2	19 @20	65 @70	11 @10 1/2	9 1/2 @—	10 1/2 @10 1/2	21 @—
April	23 @—	34 @35	38 @40	28 @29	11 @12 1/2	12 @14	11 @12 1/2	15 1/2 @16 1/2	19 @20	65 @70	11 @10 1/2	9 1/2 @—	10 1/2 @10 1/2	21 @—
July	22 @23	33 @34	36 @37	26 @27	11 @12 1/2	12 @14	11 @12 1/2	15 1/2 @16 1/2	18 @21	65 @70	10 1/2 @—	9 @—	12 1/2 @13	21 @—
October	22 @23	33 @34	36 @37	29 @30	11 @12 1/2	12 @14	11 @12 1/2	15 1/2 @16 1/2	18 @21	65 @70	10 1/2 @—	9 @—	12 1/2 @13	21 @—
1905—Jan ary	22 @23	35 @—	37 @38	31 @—	12 1/2 @14 1/2	14 @16 1/2	11 1/2 @13 1/2	16 @17 1/2	23 @24	62 1/2 @67 1/2	13 1/2 @—	10 1/2 @10 1/2	13 1/2 @14 1/2	22 1/2 @—
April	22 @23	35 @—	37 @38	31 @—	12 1/2 @14 1/2	14 @16 1/2	11 1/2 @13 1/2	16 @17 1/2	23 @24	62 1/2 @67 1/2	13 1/2 @—	10 1/2 @10 1/2	13 1/2 @14 1/2	22 1/2 @—
July	22 @23	35 @36	37 @38	31 @—	15 1/2 @17 1/2	17 @19 1/2	14 @16 1/2	17 @19 1/2	23 @24	65 @70	13 1/2 @—	10 1/2 @10 1/2	14 1/2 @15 1/2	25 @25 1/2
October	22 @23	35 @36	37 @38	33 @34	14 @16 1/2	15 1/2 @17 1/2	14 @16 1/2	17 @19 1/2	23 @24	70 @75	12 1/2 @13 1/2	11 1/2 @12 1/2	14 1/2 @15 1/2	25 1/2 @26
1906—Jan ary	24 @25	37 @38	39 @40	33 1/2 @34	17 1/2 @18 1/2	19 @20	16 @16 1/2	19 1/2 @20	23 @25	72 1/2 @75	15 1/2 @15 1/2	13 1/2 @13 1/2	15 1/2 @16	26 @26
April	25 @25 1/2	37 @38	39 @40	32 1/2 @33	15 1/2 @16 1/2	17 @18 1/2	16 @16 1/2	19 1/2 @20	23 @25	72 1/2 @75	15 1/2 @15 1/2	13 1/2 @13 1/2	15 1/2 @16	26 @27
July	25 @26	38 @39	40 @41	33 1/2 @—	15 1/2 @16 1/2	17 1/2 @18 1/2	16 @16 1/2	19 1/2 @20	25 @27	75 1/2 @75	15 1/2 @15 1/2	14 1/2 @—	16 @—	27 @28
October	26 @27	37 @38	39 @40	34 @35	16 @16 1/2	18 @19	16 @16 1/2	20 @21	26 @27	75 @77 1/2	16 1/2 @16 1/2	13 1/2 @—	16 1/2 @—	27 @28

Table showing average price of hides in Chicago market, 1892 to 1904.

[Taken from p. 218 of Report of Department of Commerce and Labor on the Beef Industry.]

1892	6.32
1893	5.50
1894	5.16
1895	8.47
1896	6.98
1897	8.81
1898	10.04
1899	11.02
1900	10.61
1901	10.87
1902	11.55
1903	10.58
1904	10.63

Comparative prices of 1903 of different classes of hides.

[Taken from Report of Department of Commerce and Labor, p. 216.]

Heavy native steers	11.69 cts.
Butt-branded steers	10.57 cts.
Heavy Texas steers	12.64 cts.
Light Texas steers	11.19 cts.
Colorado steers	10.54 cts.
Heavy native cows	10.07 cts.
Light native cows	9.64 cts.
Branded cows	9.19 cts.
Native bulls	9.61 cts.
Branded bulls	7.69 cts.
Average	10.28 cts.

III. In its report on the beef industry the Department of Commerce and Labor (1904) estimated our annual beef supply at 13,000,000 head, of which approximately 500,000 are annually exported, leaving 12,500,000 (see pp. 53 to 57); of this number it was estimated that the six large packers slaughter 45 per cent. If this be approximately correct, then of the total butcher hides produced by packers is 5,425,000. Since 1904 there has been an increase in cattle, other than milch cows, of 15 per cent (see 1907 Statistical Abstract). Assuming butcher hides to have had a similar increase, the total would be 14,375,000, of which the six large packers, however, have not increased their slaughter.

The Bureau of Animal Industry estimated about 2,324,773 cattle that die by disease and accident for 1904. To what extent the hides are taken we know of no figures to show. That it is a large per cent there can be no doubt, probably at least 50 per cent, or 1,162,386, total animal hide production of fallen hides that go into the open market. Hides undeniably are as extensively produced and marketed as the distribution of cattle, which stock raisers, farmers, and small butchers produce and market everywhere.

The value of cattle hides imported for nine months, 1908, shown by Summary of Commerce and Finance of United States for September, 1908, was the average 11.5 cents per pound.

The importation of hides of cattle decreased in 1907 compared with 1906, and for the nine months ending September, 1906, 1907, and 1908, show a decrease in importation of hides of cattle; 1908 shows 6.4 per cent under 1907, and 18.4 per cent under 1906.

During the same nine months, importations of leather and leather articles declined as follows: 1908 under 1907, 45.8 per cent, and under 1906, 35.3 per cent.

During the same period (nine months' comparison), there was an increase in exports of shoes; 10.9 per cent over 1906, and almost as great export as for same period, 1907.

In the case of sole leather there was an increase 1908 over 1907 of approximately 7 per cent, though a large falling off as compared to 1906, which was an unusual year for importation of hides, which, no doubt, were made into leather and exported.

Sole leather is chiefly exported from imported hides, with a drawback equal to the tariff.

It may be fairly gathered, from the total cattle slaughter of around 12,500,000 to 13,000,000 head, and probably 1,000,000 fallen hides, that we produce cattle hides near 14,000,000, and at 60 pounds average, which is under the average green, and 15 per cent shrinkage in curing leaves 51 pounds per head, total weight cured hides, 714,000,000 pounds, as compared to about 134,000,000 pounds of cattle hides imported.

If we deduct the 31,000,000 pounds of sole leather exported, and the leather manufactured articles shown in the foregoing tables, it seems certain that so far as cattle hides are used for articles consumed in this country, our production is sufficient for our home consumption. Furthermore, that there is an open market for 55 per cent of butcher hides and all fallen hides, making in all about 40 per cent in hands of the big packers at time skinned, and 60 per cent widely distributed.

IV. The Union Stock Yards, Chicago, have just issued for distribution among the stockmen attending the International Live Stock Exposition, now holding its annual meeting at Chicago, the following statement:

To stockmen and farmers:

Do you know that 44.7 per cent of the 2,154,690 cattle received at Chicago so far this year have been sold and shipped alive, mainly for eastern slaughter and export? Also, that last year the number was 43.9 per cent and the year before 40.6 per cent, while during several months this year over 50 per cent were sold and shipped alive?

The significance of this increasing percentage of live shipments lies in the fact of growing competition among buyers on the Chicago market.

Eastern buyers and exporters are constantly on the market, and they look to Chicago as headquarters for supplies, thus furnishing at all times full competition. From 40 to 50 per cent of the total cattle receipts at Chicago are sold on the market for shipment alive, mainly to eastern slaughtering points and to the seaboard for export.

On January 15, 1908, the same company issued and distributed the following card, showing the sale and disposition for a week and the wide range of slaughter:

Just think of it! Outside buyers in a single day buy on the Chicago market and ship out 681 carloads of live stock to 195 different consignees at 150 different points in 9 different States.

As showing the increasing outside competition in buying and wide range of distribution of live stock sold on the Chicago market, the following reports of the past week's shipments are quoted:

Monday, out of 2,515 carloads received, outside buyers bought and shipped out 681 carloads of live stock to 195 different consignees at 150 different points in 9 different States. Fourteen consignees shipped 322 cars, while 181 consignees shipped 359 cars, and there were more than 100 different shipments of

1 carload each. Monday's cattle shipments totaled 10,475 head, breaking the record for one day. Of these, only 383 head were stockers and feeders.

Wednesday, out of 1,744 cars received, 499 cars were sold and shipped alive to 198 different consignees at 167 different points in 10 different States.

Thursday, 1,100 cars were received, while 420 cars were shipped to 132 different consignees at 78 different points in 16 different States.

During the week there were shipped out 2,306 carloads, or 113,910 head of live stock, of which 1,655 carloads, or 31,839 head (averaging 21 head per car) were cattle, constituting 48.6 per cent of the receipts.

This week, starting out with active markets, a strong demand from every source, and prospects for good prices, notwithstanding Monday's run of 3,050 cars, or about 136,000 animals, bids fair to exceed the above records.

These figures prove that the outside demand and competition for beef cattle and all other live stock at Chicago is greater than ever.

Later and in February the same company issued a card containing similar information for one day's business, Monday, February 10, 1908, as follows:

Chicago's enormous live-stock receipts and shipments create new records. Run promptly absorbed.

Monday, February 10, 1908, the Chicago Union Stock Yards received 33,501 cattle, 1,303 calves, 87,716 hogs, 26,999 sheep, and 838 horses, or a total of 150,357 animals, in 2,933 cars, breaking the previous record of hog receipts and total number of animals received.

Of the receipts, there were sold and shipped alive mainly to eastern slaughtering points and for export, 10,063 cattle, 28 calves, 21,138 hogs, 6,469 sheep, and 109 horses, or a total of 37,807 animals in 787 cars, breaking all previous records of hog shipments, total number of carloads shipped, and total number of animals shipped.

The grand total handled by the railroads and the Union Stock Yards and Transit Company on that day was 188,164 animals and 3,720 cars, which is equal to a solid train over 28 miles long, or if ranged in single file would make a solid procession of animals over 200 miles long and require ten days to pass a given point marching constantly at the rate of 20 miles per day. This is something never before equaled. Moreover, all were quickly and easily handled.

Monday's enormous receipts were promptly absorbed at only a slight reduction from the prices of the previous week, practically all being sold on day of arrival. Packers got upward of 51,000 hogs, shippers bought close to 25,000, and the remainder were mixed hogs, mostly sold to speculators. Of the 11,000 left over 4,000 were carried over by shippers and 7,000 by speculators, almost everything being sold.

No other live-stock market in the world could have withstood such an enormous run in proportion without a disastrous break in prices. Yet so great is the demand for meats and live stock of all kinds at Chicago that Tuesday, with full ordinary receipts, hogs sold 5 to 10 cents higher and cattle and sheep about steady, while Wednesday's markets show further advances of 5 to 10 cents in every department.

The above facts demonstrate the value to shippers of Chicago's splendid market facilities, her practically unlimited capacity for handling live stock, and the constant tremendous demand at Chicago for live stock of all kinds at the highest average prices.

These statements of figures we have no reason to doubt, and they point to the fact that the stock raiser and farmer get the benefit of whatever competition there is for the entire animal and all parts going to make up its value. The eastern buyer gets the hide as well as the animal, and undoubtedly for both when he buys the one, relying upon his expectations to sell the hide as well as the meat in proportion to its value.

The total cattle marketed at Chicago for 1907 was 3,305,314 head; calves, 421,934 head. Of the cattle thus marketed, there were 377,000 of western range cattle, or 11.4 per cent; the balance came mainly from corn-belt States. The committee will find, if it cares to investigate it, that Iowa leads in the total, and that the best cattle are marketed in one, two, and three carload shipments by the farmers from all the corn-belt States, and these furnish a large part of the shipments to eastern slaughtering points.

The contention that the farmer gets no advantage from higher priced hides is absurd in view of these facts, and that the hides are

bought by the tanners from the local butchers. That the price of the hide is an important factor is so well stated in an article written by J. A. Spoor, president of the Union Stock Yards, of Chicago, appearing in the *Live Stock World* of January 1, headed "Live Stock Trade of 1907," that we copy as follows:

No. 1 packer's heavy native steer hides made a decline from 16½ to 16¼ cents in January, to 11½ to 11¼ cents in December, or more than 28 per cent, making a difference in this item alone of nearly \$4 per head in the returns from medium to prime native steers, while packer's prime tallow declined from 6¾ to 7 cents in January to 5½ to 5¼ cents in December, or over 18 per cent, making a further difference in returns of about \$1 per head, with the decline still greater on the poorer classes of hides and cheaper grades of tallow, and there was a similar decrease of values for all other by-products.

It is a matter of common knowledge among stockmen that there was a serious decline in prices of cattle during 1907, concurrent with the decline in hides. This decline was substantially similar at all markets. Of course there are a multitude of conditions which affect the price, and always present the effort of buyers to purchase at as low a figure as they can secure. When the supply is great the buyer dominates the market, and when the supply is less that power is less. That applies to the animal as a whole, and necessarily to every part of it which competitive buyers can use; certainly to the hide, because there is no special expensive equipment essential to taking care of the hide and a ready market for them to the tanners. Aside from calves, the claim that the packers handle, on the average, the heavy hides and other slaughters, the lighter hides has little, if any, foundation, when it is remembered that they furnish the only market for canners on which the hide weight is much below the average.

V. The controversy mainly arises on the demand of manufacturers of shoes, and tanners, that hides be placed on the free list, which is one of the plans advocated looking to a reduction in cost of leather. If the stock raiser and farmer must suffer for this reason, just let it go round, then the protective system will go down altogether.

Under the present law the tariff on cattle, hides (dry, salted, or pickled), is 15 per cent ad valorem, provided that upon all leather exported made from imported hides there should be allowed a drawback equal to the amount of the duty paid on said hides, etc. (See item 437, effective July 24, 1897.) On leather there is an ad valorem duty of 20 per cent, with the exception of certain sorts of leather not necessary to specify. On shoes and boots there is an ad valorem duty of 25 per cent. (See item 438.)

The proposition which is made by the above-named associations is that the duty on hides be not reduced, because the duty is very small, and they are as much entitled to it as anybody else.

The contention on the part of the manufacturers is that the tariff should be taken off hides on the theory that they want "free raw material." Hides are as much the product of labor and skill as anything else, hence can not be called raw material. The "free raw material" argument has for its major premise the denial of the right of protection to the producer of such articles as some one else wishes to prepare for market or manufacture in some other form, and to have and demand a protective tariff on what in turn he produces for sale sufficient to put the outside competitors practically out of business. The manufacturer in such a case asserts with great vehemence the correctness of the principles of protection that he desires to apply in

such matters as to best subserve his own purpose, regardless of the effect it may have on others, indeed denying the same sort of rights to the farmer and stock raiser. As part of the plan he insists not only for the protective tariff on what he produces, but for the articles which he wishes to use in his business; he wants to buy in the markets of the world without having to pay any import duty, and to force the farmer and stock raiser to meet that competition. That is, that he be accorded the protection in order that he may increase his business, or the price, and that others equally meritorious as citizens of the country shall be denied the same privilege in order that he may profit.

He says it costs him more for labor and materials than his foreign competitor, overlooking the fact that the farmer and stock raiser is in the same boat.

The claim that no labor or investment is required to produce a hide is quite as applicable to tallow and meat. It takes three years to mature a 3-year-old steer, and where land is exclusively devoted to grazing an investment of an average of \$50 in land, and constant care and attention. The investment in the property on which to raise cattle and feed them is enormous, and the investment in farm value of cattle alone is many times greater than all the leather and shoe business of the country.

As applied to commodities of prime necessity which are not produced in this country, and as to which the stimulation of reasonable protection will not induce any considerable production, it may be, and as a rule probably is, best where the protective system is adopted as a policy of government to admit such articles free of duty in order that they may be manufactured and the finished product supplied to the trade without being burdened with the import duty. In such an instance we are concerned only in the use, manufacture, or trade of the article so imported free of duty, and we are not concerned in the producers of the article, and hence under no obligation to protect his interest as a producer. The case is entirely different when an article of commerce is a matter of extensive and general production in this country, where great numbers of people must suffer loss by being compelled to meet the price at which it might be imported free, when the cost of production in this country is greater than it is in countries from which such products would be drawn if imported free of duty.

In the case of hides, it is perfectly plain that if they are to be put upon the free list, then we must undertake to sell hides in all of the markets of the world in competition with those produced everywhere else, and that regardless of the circumstances of the cost of production. We must be robbed of our home market to seek one elsewhere so long, at least, as the markets in other portions of the country are better. The absurdity of the proposition as applied to hides of cattle so extensively produced in every State in the Union needs no argument to support it if the principle of protection is to be applied at all, and if when applied it is to be done fairly to all interests and not as mere favoritism, and by protective system we do not mean merely on leather products, but on all the farmer buys.

Perhaps the strongest objection to the protective system is that in its practical application it builds up an individual or a business or a class of individuals and their business by giving them an advantage

over producers in foreign countries or the importers from foreign countries, which advantage must be paid for to the extent to which it may exist by the public of this country as consumers of the articles thus protected, and in this way the localities where the business which is protected exists is favored to that extent as may be business incidentally or directly connected with such protected industries, to the detriment of the other part of the country. The principles of government recognized in this country are that no special interests shall be subserved by law, and it ought not to be the intention, therefore, of the protective tariff to subserve a special interest. The object is to subserve the best interest of the entire country, and we may assume that the people of this country have decided correctly that that can be best done by a protective tariff, but at the same time they have not meant to decide that a protective tariff shall be applied with partiality and one large and meritorious class of people be deprived of it in order that some others may reap a greater profit in their business; and this is the very use to which the manufacturer here seeks to make by his demand for free hides and free wool.

The point at which the people suffer in such a case is that they pay a higher price for the protected article because there is a duty upon it. This may not be the case in all instances, but as a general proposition it can scarcely be denied. We may assume that the public has decided that it is best for the people as a whole that they should pay a higher price, if by doing so great industries are built up in this country, by protection from outside competition, laborers employed, and the manufacturer and laborer in turn becoming the customer for that which is produced in other spheres of industry. The theory is that if a factory can run, pay good wages, and supply the trade by furnishing a market for the farmer, and that although the farmer may have to pay a higher price for the manufactured article, he is thereby furnished a market for what he grows and gets a better market for it, and in the end is more benefited than damaged. That is to say, the great home market is built up. The ability of the people in this country as consumers to afford a market for the production of this country is wonderfully enhanced by the fact that we manufacture at home what we need and that we can better afford to pay more for it.

This is the backbone of the argument in support of the protective system, which means higher price on manufactured articles than would exist could we go into the markets of the world and import them free of duty.

Now, let us apply this argument to the cost of the production of hides. If the principle is good in the one case, it is good in the other, and it is plain to be seen that the producer of hides is as much entitled to a protective tariff on hides in order to enable him to get a higher price for the hides than otherwise he would get, and thus stimulate the production and make him better able to buy manufactured articles, as is the manufacturer. The right to equal protection of the law entitles the stock raiser and farmer to the benefit of a protective tariff on hides or wool, so long as it exists on the things which he buys, and the opportunity at least to benefit by it, precisely in the same manner and for the same purpose that the manufacturer is entitled to it can not be fairly denied.

Much has been said about benefit that the farmer derives from protection, but the instances are very rare where he derives a direct benefit from the duty on the articles which he produces. The benefit is said to arise from the general application of the protective tariff in that it affords him a better market wherever he can be protected, in order to enable him to get a better market and a better price. But on what principle can he be denied the same protection on his products, so that he in turn may become a better customer of the producer or manufacturer, and thus make a better market for the latter?

On what principle can it be asserted that the producer of sugar is entitled to a protective tariff which will not equally apply to the production of hides or the manufacture of leather? The tanner wants free hides; the shoe manufacturer free leather and free hides; both from selfishness.

The contention that some one between the producer of hides and consumer of leather takes advantage of his ability to monopolize the market on hides and deprive the stock raiser and farmer of the benefit of protection has no place in the argument upon the question as to whether or not the producer of hides is entitled to a protective tariff. If this is a monopoly against the hide producers, it is the duty of the Government to destroy it and not to destroy the producer of hides. If there is to be established the principle that wherever the producer of an article protected is deprived of the benefit of the protection by monopoly, and on that ground the product is admitted free of duty, the law will have placed a premium on monopoly, which it should destroy. It simply enables the monopoly to buy cheaper. Suppose, for example, the duty should be taken off the hides, and they should be bought in foreign countries and laid down in this country 15 per cent less than the present value of hides, who would get the benefit of it, if such monopoly exists as is asserted? The place at which to begin in point of law to meet conditions that may be thus produced by monopoly is not by taking the tariffs off so-called raw materials produced by the farmers and stock raisers of this country, who do not create monopolies, but to take the tariff off the manufactured articles, so that the consumer will get the benefit in the end. If the producers of leather in this country have sufficient control of the hide market that they can name the price at which the producer must sell the hides, they can equally be as powerful to name the price of leather made from imported hides.

Now, suppose the tariff were taken off the hides and they are permitted to go into the markets of the world and buy them as cheap or cheaper than they do in this country. Can anyone give any assurance that the price of leather will decline on that account? And suppose the price of leather does decline—who can vouchsafe that the manufacturers of shoes will sell them cheaper because of the lower price of leather? The fact is that neither the price of leather nor shoes has fluctuated with the price of hides.

It will be interesting to compare the price of hides, leather, and shoes at stated periods during each year for several years past. It will doubtless be found that the relative price of shoes was in the main not apparently affected by the price of leather or the price of hides.

From two-thirds to three-fourths of all the beef cattle produced in the United States come from west of the Mississippi River, and neces-

sarily the hides are produced in that section. To say that the value of the animal is not affected by the value of the hide is equivalent to saying that it was not affected by the value of the wool nor the quality, character, or value of the meat. We might admit that under some circumstances the owner of the animal may not be able to get as much as it is worth compared with what the consumer finally pays for the finished and prepared product, but that does not mean that the value of the animal is not affected by an absolute higher or lower price of some material part of it. The question is, Shall the law declare that the producer of these great articles of trade shall be deprived of the benefit of protection for the same purpose which the manufacturer has it, upon the mere assertion of some one who perhaps knows nothing about it, that the value of the animal is not to be affected by the tariff on hides or on wool? A false assertion made for profit.

Equality of opportunity is a maxim of the law, and it lies in no man's mouth to say that a certain class shall not have it because of the assertion that it can not make use of it. It certainly can not if the law denies the right.

Undeniably the prosperity of the live-stock business in cattle, sheep, and hogs in the country west of the Mississippi River has made the upbuilding of that vast area possible, and has added commercially to the prosperity of the whole country. It is to that source which the manufacturers of the East must look to sell their products, and if the people of that great section are to be impoverished in order that profits may be still greater for the manufacturer in the East, or for any other reason, it will be a perversion of the professed principles underlying the protective tariff system. In only a few articles can they possibly directly benefit by protection. Shall it be denied on those?

It may be said that the motive on the part of the stock raisers and producers of hides and wool is for a protective tariff in order to profit by it; that is true. Why not? Surely no less can be said of the motive of those who seek to put hides and wool on the free list. If these articles should be put on the free list in order that the manufacturers may prosper to a greater extent than now by being able to seek a cheaper source of supply, why should not the farmer likewise be entitled to go abroad to buy his supplies, because to do so he may prosper more than now?

Millions of people are engaged in producing animals, hides, and wool. Shall they be sacrificed, and the manufacturers of those products, far less in number, be given a special privilege, on the mere assertion that to do so will reduce the price of shoes or clothes to the consumer? Cast up and see who is making the most profit. The manufacturer has no notion of reducing the price; his motive lies in getting the more profit from the man who toils to make the so-called raw material, and to buy the manufacturer's goods. He is not in business for benevolence. He haunts the halls of Congress and the hotel lobbies at Washington, while the farmer herds and feeds his stock, and tills the land and supports his family, for whom he buys the clothes and shoes from which the manufacturer profits. The manufacturer looks after making the laws in person, the farmer and stock raiser must leave it to his representative. What will be the result?

VI.

The live stock interests which are represented desire to call specific attention of the Ways and Means Committee to the importance of this industry to the prosperity of the nation, and that its trade should be fostered in every way to the end of the best market at home and abroad, and we here copy an extract from the pamphlet issued by the Agricultural Department Bureau of Statistics, Bulletin No. 55, as follows:

IMPORTANCE OF THE MEAT INDUSTRY.

With a meat export in 1900 amounting to one-eighth of the production, the growing of meat animals and the manufacture of the products derived from their slaughter are largely dependent upon the export trade, and the foreign marketing is essential to the maintenance of the present magnitude of the meat industry and of prices profitable to the farmer.

Although this is a country of meat eaters, with a total population estimated by the Bureau of the Census at 84,000,000 in 1906, the surplus of meat produced in 1900, as estimated in the preparation of this bulletin, was large enough to feed either the United Kingdom or the German Empire for nearly half a year, or both for nearly three months; the population of those two countries in 1901 was 98,000,000, as compared with a population of 76,000,000 in this country the year before.

If such an immense quantity of surplus meat food were to be confined within this country by the refusal of foreign countries to buy it, there would follow consequences to farmer, rangeman, slaughterer, and packer which would be financially disastrous.

In the valuation of all domestic animals in the census of 1900 the kind of meat animals having the highest value in the aggregate was cattle. The value of all cattle on farms and ranges and off farms and ranges in cities, villages, and elsewhere, was \$1,500,000,000, about one-third of which is the value given to dairy cows and two-thirds to other cattle. Swine occupy second place in order of value, but much below the total for cattle, the figures given being \$239,000,000. Sheep have third place with \$171,000,000, and goats have the small place indicated by \$3,400,000. A grand total value of all meat animals on and off farms and ranges, according to the census, was \$1,929,000,000.

The latest annual estimate of the value of meat animals on farms and ranges made by the Bureau of Statistics of the Department of Agriculture, January 1, 1907, gives to dairy cows the value of \$645,500,000, or an increase of \$137,000,000 over 1900. The decreased total value given to other cattle, although the value is larger per head, somewhat offsets the increase for dairy cows, since the loss in other cattle is \$85,000,000 from the value of 1900. The estimate for sheep for 1907 indicates an increase of \$34,000,000 in value above the census statement, and for swine an increase of \$186,000,000; there is no estimate for goats, which, for present purposes, may be regarded as having the 1900 census value.

Meat animals on farms and ranges January 1, 1907, increased in value in the aggregate \$272,000,000 above the census amount of June 1, 1900, and rose to a total value of \$2,152,000,000. The estimates of this department are for January 1, a time of the year when the num-

ber of swine and sheep is about one-fifth less than that on June 1, which is the census date, and the number of cattle is less in midwinter than on June 1. Hence, if the department's statements for January 1 were raised to a basis of June 1, the foregoing values for 1907 would be increased.

OTHER ITEMS OF CAPITAL.

Not only are the prices of meat animals directly affected by the marketing of the national surplus of meat, but likewise the value of the farms and ranges on which they are raised. While nearly all farms maintain at least one meat animal, the farms and ranges devoted especially to the production of live stock are the ones more directly affected.

The value of live-stock farms and ranges was estimated by the Bureau of Statistics of the Department of Agriculture in 1905 to be \$7,951,000,000, by adding to the census valuation the increase of the succeeding five years. Some horse and mule farms are unavoidably included.

To the value of meat animals and of live-stock farms and ranges should be added the value of implements and machinery on such farms and ranges, or \$235,500,000.

Then there is a large amount of capital invested in wholesale slaughtering, meat packing, lard refining, and oleomargarine establishments which was determined by the Bureau of the Census to be \$238,000,000 in 1904.

The sum of the foregoing items of capital directly affected by the export of the national surplus of meat is \$10,625,000,000 and this capital is directly dependent upon such disposal for its profitable use and, indeed, for the integrity of the investment.

In addition to the capital concerned there are annual productions that should be noted. Upon the basis of census values the farm value of the cattle, sheep, and swine slaughtered and exported alive in 1900 was \$649,417,340. This is a computed value and may be above or below the fact for 1900; but whatever the true value was for that year, it was much larger for 1906, with its high values and large exports as well as perhaps increased home consumption.

The great annual corn crop of the country, having a value of \$1,167,000,000 in 1906, is very largely converted into meat, fats, and oils, and a large fraction of this crop is exported in the form of the commodities mentioned.

TABLE 2.—*Capital directly affected by exports of surplus meat.*

Item.	Value.
Value of domestic meat animals on farms and ranges, January 1, 1907	\$2, 152, 320, 349
Value of domestic meat animals not on farms and ranges, June 1, 1900	48, 627, 220
Value of live-stock farms and ranges, 1905, autumn	7, 950, 919, 310
Value of implements and machinery on live-stock farms and ranges, June 1, 1900	235, 477, 714
Capital of wholesale slaughtering, meat-packing, lard-refining, and oleomargarine establishments, 1904	237, 714, 690
Total	10, 625, 059, 283

COMPARISON WITH OTHER INVESTMENTS.

Better to understand the magnitude of the interests involved in the maintenance of meat exports, comparisons may be made with other aggregates of capital and classes of wealth. The capital directly related to meat production for export, \$10,625,000,000, is five-sixths as large as all capital invested in manufacturing in 1904. It is barely under the figures representing the capitalization of the net earnings of steam railroads, estimated by the Bureau of the Census, June 1, 1904; it is a little greater than the estimated true value of all property situated in the South Central division of States in 1904, as also of all property situated in the Rocky Mountain and Pacific regions. It is more than one billion dollars above the value of the real estate and of the implements and machinery of farms devoted chiefly to producing cotton, hay, and grain; or the estimated true value of all property situated in New England in 1904; or the estimated true value of the entire real estate of the South in 1904. It is nearly twice the value of the real estate and of the implements and machinery of farms devoted chiefly to producing cotton, fruit, rice, sugar, tobacco, vegetables, and to general farming; or more than twice the estimated true value of street railways, shipping, waterworks, telegraph and telephone systems, electric light and power stations, Pullman and private cars, and canals in 1904.

TABLE 3.—Meat capital compared with other capital and classes of wealth.

Item.	Value.
Capital directly related to meat production for export	\$10,625,059,283
Capital invested in manufacturing, 1904.....	12,686,265,673
Capitalization of net earnings of steam railroads, June 1, 1904.....	11,244,752,000
Value of real estate (1905, autumn) and of implements and machinery (1900) of farms devoted chiefly to producing cotton, hay, and grain	9,074,168,745
Value of real estate (1905, autumn) and of implements and machinery (1900) of farms devoted chiefly to producing cotton, fruit, rice, sugar, tobacco, vegetables, and to general farming (including small specialties).....	5,792,314,927
Estimated true value of street railways, shipping, waterworks, telegraph and telephone systems, electric light and power stations, Pullman and private cars, and canals (1904).....	4,480,546,909
Estimated true value of entire real estate of South Atlantic and South Central divisions, 1904.....	9,505,995,304
Estimated true value of all property situated in New England, 1904.....	8,823,325,592
Estimated true value of all property situated in the South Central division, 1904.....	10,052,467,528
Estimated true value of all property situated in the Western division (Rocky Mountain and Pacific regions), 1904.....	9,992,581,271

Under the heading "Stock of Meat Animals"—"Number in the World," same Bulletin, it is stated:

It appears that contiguous United States has 74,200,000 cattle of the 424,500,000 cattle known to be in the world, or 17.5 per cent. British India has a larger fraction, or 20.9 per cent, but the fraction is smaller than that of the United States in every other country—one-half or less.

This country does not figure so largely in comparison with the total sheep, since the number in contiguous United States is but 53,500,000 of the 609,800,000 sheep, or 8.8 per cent. This fraction is exceeded by that of three countries. Argentina has 19.7 per cent of the world's sheep as far as known; Australia has 12.2 per cent; and European Russia 9.7 per cent.

The greatest prominence of this country in the possession of a meat animal is found in the number of swine. Of the world's 141,300,000 known swine, the United States has 56,600,000, or 40.1 per

cent; Germany is the second country in order of importance, with 13.4 per cent; Austria-Hungary follows with 9 per cent; and European Russia with 8.4 per cent.

In the possession of goats this country occupies a small place, since the number on and off farms and ranges is only 2.2 per cent of the world's goats as far as known.

The ages of cattle slaughtered is shown in Table 20, of same Bulletin (1900).

TABLE 20.—*Computation of slaughtered cattle, except calves, 1900.*

Item.	Per cent.	Number.
Total slaughtered (see Table 19).....	100	12,978,000
Steers, 1 and under 2 years.....	13	1,687,000
Steers, 2 and under 3 years.....	18	2,336,000
Steers, 3 years and over.....	17	2,206,000
Total steers.....	48	6,229,000
Bulls, 1 year and over.....	5	649,000
Heifers, 1 and under 2 year.....	13	1,687,000
Cows.....	34	4,413,000

As to slaughter of cattle and calves this bulletin shows as follows:

CALVES AND CATTLE.

On referring to Table 23 it will be observed that the computations previously explained in detail indicate an available slaughter of 5,831,000 calves in 1900, of 6,229,000 steers, of 649,000 bulls over 1 year old, of 1,687,000 heifers, and of 4,413,000 cows. The number of cattle available for slaughter, not including calves, was 12,978,000, of which 240,000 were exported alive, so that the cattle, except calves, slaughtered in this country was 12,738,000. If to this number the slaughtered calves be added, the total slaughter of cattle was 18,569,000; and, if to this number we add the number exported alive, we have a grand total of 18,809,000.

The total cattle received at stock yards at 54 points in the United States where packing plants are located was 13,777,196; shipments out, 6,187,004; calves, receipts, 1,826,552; shipments out, 421,570.

(See 22d Annual Rept., Bureau of Animal Industry, p. 292.)

(For range in prices of cattle from 1894 to 1905, see pp. 286, 287.)

Upon request for the information the Bureau of Animal Industry has furnished us a statement of the hide supply of the United States as follows:

The estimated total slaughter of cattle in the United States in 1900 was about 11,500,000 head, besides 5,000,000 calves, and presumably those respective numbers of cattle hides and calfskins were produced in that year. As the foregoing figures are based upon the estimate of the total number of cattle on hand in the United States January 1, 1900, of 63,500,000 cattle, including calves, and as the estimated number January 1, 1908, was 71,267,000, it is roughly estimated that the hide production in 1907 was about 13,000,000 cattle hides and 5,500,000 calfskins. The total number of animals slaughtered under federal meat inspection during the fiscal year ending June 30, 1908, was 53,973,337, consisting of 7,116,275 cattle, 1,995,487 calves, 9,702,545 sheep, 35,113,077 swine, and 45,953 goats.

Thus there appears slaughtered approximately 1 cattle hide to each 6 persons, and 1 calf hide to each 15 persons.

VII.

STATISTICAL REPORT.

CENSUS OF MANUFACTURERS, 1905—DEPARTMENT OF COMMERCE AND LABOR.

LEATHER AND MANUFACTURES OF LEATHER.

Table 7 shows for 1905 the number of establishments reporting the different kinds of materials, with the quantity and cost of each kind of material used; the cost of linings and trimmings and findings, and the amount paid for fuel, rent of power and heat, mill supplies, freight, and all other materials.

The number of establishments given in this table is not the number of distinct establishments, but the number reporting the different classes of materials. Consequently some establishments are counted several times. The number using purchased cut soles, counter, taps, heels, etc., was the largest, 908; of these establishments, 419 used these materials to the exclusion of uncut sole leather. The number using sole leather in the side was 678; of these, 162 did not use cut soles, etc., or heads, bellies, and shoulders. The latter class of materials was used by 425 establishments, but in only 26 exclusively.

TABLE 7.—Materials used, by kind, quantity, and cost, and number of establishments reporting each kind, 1905.

Kind.	Number of establishments reporting.	Unit of measure.	Quantity.	Cost of materials used.
Materials used, total cost				\$197,363,495
Sole leather in the side	678	Pounds	162,631,578	36,860,980
Sole leather (heads, bellies, shoulders, etc.)..	425	.....do	42,510,899	7,874,070
Split leather, finished	157	.....do	10,749,526	2,047,504
Rolled splits	89	.....do	3,890,791	632,429
Calf and kip skins	232	.....do	4,240,190	2,939,268
Grain and other side leather	399	Square feet	89,610,877	11,805,645
Calfskins (russet, ooze, kangaroo, dongola calf, etc.)..	592	.....do	91,290,110	16,209,144
Patent and enamel leather	692	.....do	47,720,221	12,053,512
Goat-skins	759	.....do	197,044,004	30,398,403
Sheep leather used for uppers	453	.....do	36,473,154	2,879,270
All other upper leather	459	.....do	73,012,661	12,587,285
Material other than leather used for uppers..	210			1,956,146
Linings and trimmings, all kinds				10,561,367
Cut soles, counters, taps, heels, etc., purchased.	908			24,143,824
Findings, purchased				13,080,280
Fuel, rent and power and heat, mill supplies, freight, and all other materials.				11,834,369

Calfskins (russet, ooze, kangaroo, dongola calf, etc.), were used by 592 establishments, of which 313 did not use calf and kip skins. Calf and kip skins were used by 232 establishments, but only 38 used them exclusively. Of 157 establishments using split leather, finished, 86 did not use rolled splits; and of 89 using rolled splits, only 6 did not use split leather, finished.

There are two principal classes of leather used in the manufacture of boots and shoes: leather from which soles, counters, taps, heels, etc., are made, known as sole leather, and leather from which vamps, quarters, etc., are made, known as upper leather.

The cost of sole leather in the side, heads, bellies, shoulders, etc., as reported at the census of 1905 was \$44,235,050. This amount, added to the \$24,143,824 paid for cut soles, counters, taps, heels, etc., purchased, makes the expenditure for sole leather \$68,378,874, or 34.6 per cent, of the total cost of materials.

Upper leather cost \$91,552,459, or 46.4 per cent of the total cost of materials, and all upper material, including material other than leather, \$93,508,605, or 47.4 per cent; linings, trimmings, and findings, \$23,641,647, or 12 per cent; and fuel, rent of power and heat, mill supplies, freight, and all other materials, \$11,834,369, or 6 per cent.

Of upper leather, goatskin was the most largely reported in 1905. As a result of the success attending the tanning of such skins by the "chrome" process there has been put on the market a glazed kid that gives the greatest satisfaction to manufacturers. Its cost was 32.2 per cent of the cost of all upper leather. Calfskin, patent and enamel and grain leather were also used to a considerable extent, but sheep and split leather were used in comparatively small quantities. A large amount is included under "all upper leather," mainly because of the inability of some manufacturers to segregate the kinds and quantities of leather purchased. "Materials other than leather used for uppers" was separately considered at this census for the first time, and 210 establishments reported an expenditure of \$1,956,146 for such materials.

Table 8 shows the number of establishments reporting the different kinds of products and the quantity and value of each kind for 1900 and 1905. The number of establishments is the number reporting the various kinds of products and not the number of distinct establishments. Therefore some establishments are included several times.

TABLE 8.—*Products, by kind, quantity, and value, with number of establishments reporting each kind, and per cent of increase: 1905 and 1900.*

Kind.	Number of establishments reporting.		Value.		Per cent of increase.
	1905.	1900.	1905.	1900.	
Products, total value boots, shoes, and slippers.....			\$320,107,458	\$258,969,580	23.6
Total number of pairs.....			242,110,085	217,965,419	11.1
Total value.....			\$315,987,387	\$255,720,266	23.6
Men's boots and shoes.....	483	560	83,434,322	67,742,839	23.2
Number of pairs.....			\$142,088,682	\$108,105,938	31.4
Value.....					
Boys' and youths' boots and shoes.....	299	388	21,717,236	21,080,479	3.3
Number of pairs.....			\$24,301,298	\$20,739,297	17.2
Value.....					
Women's boots and shoes.....	464	588	69,470,876	64,972,653	6.9
Number of pairs.....			\$98,262,016	\$81,804,303	20.1
Value.....					
Misses' and children's boots and shoes.....	377	551	41,416,967	41,843,202	11.0
Number of pairs.....			\$34,056,919	\$30,094,611	13.2
Value.....					
Men's, boys', and youths' slippers.....	103	135	4,403,097	4,446,965	11.0
Number of pairs.....			\$3,464,561	\$2,800,213	23.7
Value.....					
Women's, misses', and children's slippers.....	236	278	13,115,194	12,645,876	3.7
Number of pairs.....			\$10,532,271	\$10,134,393	3.9
Value.....					
All other kinds.....	157	126	8,552,343	5,283,405	61.9
Number of pairs.....			\$3,831,690	\$2,041,511	63.2
Value.....			\$3,327,955	\$2,175,738	53.0
All other products.....	122	161	\$792,116	\$1,073,576	126.2
Amount received for work done for others.....	89	148			

The reports in 1905 showed that 24,144,616 more pairs of boots, shoes, and slippers were made in the United States than in 1900, a gain of 11.1 per cent; the value increased \$60,267,121, or 23.6 per cent. The greatest increase was in the manufacture of men's boots and shoes, the increase being 15,691,483 pairs, or 23.2 per cent, and \$33,932,694 in value, or 31.4 per cent. Boys' and youths' shoes increased but 686,757 pairs, or 3.3 per cent, while the value increased \$3,562,001, or 17.2 per cent. The number of pairs of women's shoes manufactured increased 4,498,223, or 6.9 per cent, and the value \$16,457,713, or 20.1 per cent. There was a decrease in number of misses' and children's shoes manufactured of 426,235 pairs, or 1 per cent, but an increase in value of \$3,962,308, or 13.2 per cent. The manufacture of slippers was increased to the extent of 425,450 pairs, or 2.5 per cent, and \$1,062,226 in value, or 8.2 per cent. For "all other kinds," which includes infants' shoes, moccasins, athletic, and bathing shoes, etc., an increase of 3,268,938 pairs, or 61.9 per cent, and \$1,290,179 in value, or 63.2 per cent, is shown. Instances of decreases and small increases in quantity which appear in the table are attributed to slight changes in classification, which resulted in swelling the total of "all other kinds" in 1905, thus causing the large increase in that item.

It is plain from the foregoing that the amount of cattle leather in shoes is so small per pair that the difference in cost of shoes per pair on the average is so small that the consumer will not get any of it.

If we take the total leather, a pair of heavy shoes at 3 pounds, which is above the average, and assume that cured hides make an average of 63 per cent leather and is worth 11 cents per pound for the hide, the weight of hide would be 4.8 pounds at 11 cents, equal 52.8 cents, duty 15 per cent, equal 7.9 cents, or 2.64 cents per pound of cattle hide in a pair of shoes.

Now, the per cent of heavy shoes to the total is very small, and considering the per cent of sole leather used, and the fact that it will probably run as low as one-half pound, and average for all shoes probably $1\frac{1}{2}$ pounds, it will be seen that the average difference in the cost of shoes per pair will not be more than 3 or 4 cents.

This seems to be borne out by the evidence before the committee. Now, look at the fluctuations in the price of hides and leather for ten years of the tariff, and observe that every year, for the entire period, cattle hides fluctuated in price between the high and low levels, 15 per cent or more, and leather from 6 to 10 per cent or more, not apparently with the price of hides, and it will at once be seen that it would be impossible for the shoe manufacturer of shoes and leather to take care of this 3 or 4 cents per pair of shoes. What those fluctuations would have been with free hides there would be no way of telling.

The price of leather to the shoe manufacturer must be high enough to take care of the fluctuations in hides and leather, and the shoe manufacturer must put his price high enough to take care of the fluctuations in leather, which would swallow up the 3 or 4 cents. And this, assuming an active competition in both shoe and leather manufactures, which is doubtless more imaginary than real, so far as price to the consumer is concerned. Then comes the fluctuation in

shoes sold to the retailer, which he takes care of in his retail selling price, even where not a dictated price fixed by the manufacturer.

Puzzle: Find the 3 or 4 cents.

Key to the puzzle: Don't look for it in the pocket of the consumer.

Hence the sophistry of the argument that the 15 per cent on hides affects the price of shoes to the consumer.

Stock raisers and farmers think it worth an average of about \$1 per head in the intrinsic value of their cattle, and that when the stock raiser of South America brings his hides here for sale this tax of 15 per cent is reasonable, and that it doesn't cost the consumer of shoes a cent. They want equality before the law, and pray this committee to leave the duty on cattle hides in order that the product of our farms have the benefit of the home market.

[Taken from statistical abstract, Commerce and Labor, for 1907.]

Year.	Milch cows.		Other cattle.		Total number.	Total value.
	Number.	Value.	Number.	Value.		
1897	15,941,727	\$369,239,993	30,508,408	\$507,929,421	46,450,135	\$8,771,691,414
1901	16,833,657	505,093,077	45,500,213	906,644,003	62,333,870	1,411,737,080
1906	19,793,866	582,788,592	47,067,656	746,171,709	66,861,522	1,328,960,301
1908	21,194,000	650,057,000	50,073,000	845,938,000	71,267,000	1,495,395,000

Does not this show that we can produce very nearly, if not quite, all the cattle hides needed for home consumption?

Respectfully submitted.

THE AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
Office, Denver, Colo.

H. A. JASTRO, *President, Bakersfield, Cal.*

THE CATTLE RAISERS' ASSOCIATION OF TEXAS,
Office, Fort Worth, Tex.

IKE T. PRYOR, *President.*

S. H. COWAN,
Attorney for the Association, Fort Worth, Tex.

HON. ROBERT L. TAYLOR, SENATOR, SUBMITS LETTER OF THE GRAY & DUDLEY HARDWARE COMPANY ON HIDES.

NASHVILLE, U. S. A., *December 5, 1908.*

HON. ROBERT L. TAYLOR,
Nashville, Tenn.

DEAR SENATOR: We wish to call your attention to the fact that an effort is now being made to have the tariff of 15 per cent on hides removed.

The Wholesale Saddlery Association of America, of which we are members, and of which the writer is vice-president for Tennessee, is very much in favor of having this tariff taken off on hides, and have passed resolutions in their convention to that effect.

We believe it is to the interest of the leather dealers, harness and saddlery manufacturers in this country to have this done, and we trust you will use your influence to bring it about.

Thanking you in advance, and with kindest regards, we remain,
Yours, sincerely,

GRAY & DUDLEY HARDWARE COMPANY,
J. M. GRAY, JR., *Vice-President.*

(Communications similar in purport to the above, asking for the removal of the duty from hides, were received from the following: Jamestown Lounge Company, Jamestown, N. Y.; The American Oak Leather Company, Cincinnati, Ohio; Thomas Madden, Sons & Co., Indianapolis, Ind.)

**MILTON S. FLORSHEIM, CHICAGO, ILL., WRITES RELATIVE TO
THE DUTIES ON HIDES AND SHOES.**

CHICAGO, ILL., *December 7, 1908.*

HON. HENRY S. BOUTELL,
Member of Congress, Washington, D. C.

DEAR SIR: I inclose clipping taken from the Chicago Daily News of Saturday, December 5.

Should you or the Ways and Means Committee desire any further information at any time regarding the effect of the duty on hides, on leather or shoes, the writer will be pleased to obtain same for you and place it before you, either in person or by correspondence, as you may prefer.

Should you conclude to take the duty entirely off of shoes it might be well to investigate the advisability of lowering the schedule on those articles which must be used in making a pair of shoes; i. e., thread, shellac, et al., but by leaving the duty on shoes at a nominal figure, 5 to 10 per cent, it would be unnecessary to touch the present schedules on those articles unless your committee should deem it advisable for the general welfare of the public.

I want my position in politics understood. I am a lifelong Republican, have uniformly voted the Republican ticket, and am a staunch believer in the principles of protection, particularly where the element of labor enters largely into the cost of an article.

In considering the shoe and leather schedule it must be remembered aside from the manufacturer of shoes, the item of labor is of no particular consequence.

The discontinuance of the duty on hides would not affect labor, nor would the reduction in the schedule by putting leather on the free list affect the price of labor. The gross cost of labor in a pound of sole leather is about five-eighths of 1 cent to the pound and the average selling price of the leather is about 23 cents per pound.

On upper leather the element of labor is somewhat larger but not materially so.

Shoe labor is about 27½ per cent of the cost of the entire shoe. Only skilled labor is used in shoe factories; it is well remunerated and as far as my knowledge of wages goes it is the best paid labor employed in manufacturing, and producing a staple product.

The shoe factory capacity of the United States is in excess of the demand; i. e., the average shoe factory runs between eight and nine months per year. Through increased exports our shoe factories would be enabled to run eleven to twelve months per year.

There are 140,000 operatives employed in shoe factories in this country. What a boon to this number of employees if they could be employed continuously at good wages.

Increased production by the shoe factories would require increased production by the tanners, thereby employing more labor in that industry.

Very respectfully, yours,

THE FLORSHEIM SHOE COMPANY,
By MILTON S. FLORSHEIM, *President*.

[Chicago Daily News, December 5, 1908.]

LONDON, *December 5.*

Fearful lest the United States Congress accede to the demands of the American shoe manufacturers and abolish the duty on leather imported from England, the British bootmakers have decided to hold a meeting for the discussion of measures which it will be necessary for them to take in consequence. It is frankly admitted by several of the most important men in the trade that if the proposed abolition of the duty take place and no defensive protective step be taken the entire market here will be at the mercy of the Americans.

ENGLISH ARE APPREHENSIVE.

These exact words were used in conversation with the Daily News correspondent by one of the leading manufacturers, who continued:

We may as well be frank and say that the shock which the Americans gave us seven or eight years ago was as nothing compared with what they will be able to do if they get free of duty our English leather, which is the best in the world. American workmanship plus our leather means the perfection of boot manufacture. Against such a combine we shall be able to do nothing. Still, the Americans have taught us so much in regard to boot manufacture that we may be able to devise some effective fighting tactics by which to save our trade.

According to another manufacturer the Americans, if they gain their object, will be able to put on the British market for 12 shillings and sixpence (\$3) an excellent quality of boots (the American word for the same things is "shoes") which is now selling for 16 shillings and sixpence (\$3.98). At the old price it has sold to such an extent that it has made serious inroads upon every competitor. At the new price it will "sweep them all before it."

AMERICAN SOLE LEATHER INFERIOR.

Thus far the only trouble with American boots has been the inferior quality of the sole leather, but, with English leather for the soles, the American boot will become better and cheaper than the best British grade. Wilkins & Co., government contractors, who own factories all over the United Kingdom, assert that American manufac-

turers already have created an artificial scarcity of leather in England by buying up all they could find, and that, as a consequence, prices have increased 10 per cent. Thus the British makers are being hit all around, and, according to Wilkins & Co., there is not a single boot manufacturer in England who would not gladly welcome protection, no matter what effect it might have upon the country at large. A member of this firm said to the Daily News correspondent:

We are now working with American machines and use them nearly as well as the Americans themselves, but with the continued high price of leather it is a case of "We who are about to die salute you."

DEMAND PROTECTIVE MEASURES.

It will be the object of the manufacturers' meeting to make a strong demand for protective measures against the American product, whether the American duty on leather is taken off or not. The makers here say they have learned from special emissaries that there is hardly any doubt Congress will grant the petition of the American manufacturers.

CHICAGO, ILL., *December 7, 1908.*

HON. HENRY S. BOUTELL, M. C.,
Washington, D. C.

DEAR SIR: The statement of Judge Cowan, of Texas, before the Ways and Means Committee, if newspaper comments are correct, shows that he is misinformed as to the effect of the duty on cattle hides on the price of shoes.

There is no doubt that the elimination of the duty on cattle hides will make the price of all shoes which retail at \$2, \$2.50, \$3, \$3.50, and \$4 cost about 25 cents per pair less than what they now cost.

Answering your question regarding \$8 shoes, I would say it would make but very little difference, as the element of profit of the retailer enters very largely into the selling price of this shoe.

The packer, not being a philanthropist, would and is doing precisely what others would do in his position, being on a strictly non-competitive basis, does not pay any higher price for his cattle than will induce sufficient shipments to the market to obtain the necessary supplies of beef.

The continuation of this duty on hides is building and fostering an absolute monopoly of the sole-leather business, and will eventually give the packers absolute control of the shoe business.

This is foreign, I am quite confident, to the purposes of Congress when the statute was enacted putting hides on the tariff list, but this is precisely what it has and will eventually accomplish for the packer.

Very respectfully, yours,

THE FLORSHEIM SHOE COMPANY,
By MILTON S. FLORSHEIM, *President.*

**H. N. HILL, OF THE CLEVELAND (OHIO) TANNING COMPANY,
SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO HIDES
AND COSTS OF TANNING.**

CLEVELAND, OHIO, *December 7, 1908.*

WAYS AND MEANS COMMITTEE.

GENTLEMEN: In addition to my testimony given before your committee, and in answer to the request of your chairman, I beg to submit the following:

In going over my cost records for the period of nine years, commencing July 1, 1899, and ending July 1, 1908, I find as follows:

	Per cent.
The average cost of hides is.....	51
The average cost of all other material.....	12
Average cost of productive labor and nonproductive labor and expense.....	37
Total	100

Taking the item of productive and nonproductive labor and expense as 37 per cent, 18 per cent, or practically one half, is productive labor and the balance of 19 per cent is nonproductive labor and expense.

Had the cost of hides been 15 per cent less for the period, the proportion of productive labor of the whole amount would have been increased to 20 per cent of the cost of production.

As wages in this country average at least 25 per cent higher than in other countries, a duty of 5 per cent where we are allowed free trade with other countries would be ample.

In the case of a country like Canada, that had a duty of 25 per cent against us, we believe we are entitled to the same amount of protection.

Respectfully submitted.

H. N. HILL,
Cleveland Tanning Co.

COL. ALBERT CLARKE, OF BOSTON, FILES STATEMENT AND STATISTICS RELATIVE TO IMPORTATIONS OF HIDES.

DECEMBER 7, 1908.

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
Washington, D. C.*

SIR: In reply to questions by Mr. Calderhead, I submit the following information:

[From Bureau of Statistics, Department of Commerce and Labor.]

Imports during fiscal year 1908:	Pounds.
Hides of cattle.....	88, 807, 751
Same from Cuba.....	1, 479, 229
Hides of buffalo.....	5, 658, 907
Imports during fiscal year 1904.....	300, 825, 242
Domestic product (929 establishments).....	456, 443, 857

This latter is from the 1905 census, and covers only the product of packing and slaughter houses. There is, of course, a considerable product from small establishments and from farms, in addition to this.

Bulletin 55 of the United States Department of Agriculture for the year 1907, page 99, gives the domestic production of the hides of cattle (not including the live cattle exported) at 12,738,000. It gives the imports as 3,130,000, making a total of hides 15,868,000. There was a reexport of 130,000 hides and skins, but the proportions of each are not stated. Deducting the whole, however, there was left for domestic consumption 15,738,000.

The percentage of the import to the domestic consumption (the quantity tanned) was 19.72, or, for ease in stating, practically 20 per cent.

Inclosed is page 2198 from the Foreign Commerce of the United States for the fiscal year 1908, showing the quantities of hides of cattle imported the last three years and from what countries.

Very truly, yours,

ALBERT CLARKE.

EXHIBIT A.

	1906.	1907.	1908.
Hides of cattle imported from—	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
United Kingdom.....	9,361,161	6,315,581	1,488,144
Belgium.....	2,273,402	1,372,401	1,446,662
France.....	15,667,811	10,913,599	7,063,911
Germany.....	5,171,417	2,861,302	1,330,171
Other Europe.....	11,708,432	3,753,673	1,763,564
British North America.....	23,009,013	21,063,456	26,469,885
Mexico.....	12,467,929	14,709,027	10,821,566
Cuba.....	1,608,354	3,340,173	1,808,203
Brazil.....	1,585,821	1,336,364	483,253
Other South America.....	50,639,703	48,360,905	33,985,197
Chinese Empire.....	1,351,619	1,713,616	986,135
East Indies.....	16,146,218	14,681,763	6,860,495
Other countries.....	4,764,420	4,259,160	3,856,063
Total.....	156,165,300	134,671,020	98,352,249

HON. E. B. VREELAND, M. C., SUBMITS RESOLUTION OF THE MANUFACTURERS' ASSOCIATION OF JAMESTOWN, N. Y., RELATIVE TO REMOVAL OF DUTY FROM HIDES.

JAMESTOWN, N. Y., December 7, 1908.

HON. E. B. VREELAND,
Salamanca, N. Y.

DEAR SIR: At our annual meeting, held December 1, the following resolutions, introduced by F. E. Shearman, were adopted:

Whereas the furniture manufacturers use a great quantity of leather in the manufacture of furniture, all of which leather is manufactured of cattle hides; and

Whereas the duty of 15 per cent imposed upon cattle hides by the Dingley tariff law of 1897 increases materially the price of tanned cattle hides; and

Whereas we believe the removal of said tariff on hides will result in the lowering of prices on all articles of furniture on which leather manufactured of cattle hides is used, and thus be of benefit to the masses of people of the country: Therefore be it

Resolved, That the Manufacturers' Association of Jamestown, N. Y., and its members respectfully ask our Representative in Congress, Hon. E. B. Vreeland, to use his best endeavors to have said duty of 15 per cent on hides abolished.

THE MANUFACTURERS' ASSOCIATION
OF JAMESTOWN, N. Y.,
R. J. BOOTBY, *Secretary*.

SUPPLEMENTAL BRIEF OF S. H. COWAN FOR AMERICAN NATIONAL LIVE STOCK ASSOCIATION AND CATTLE RAISERS' ASSOCIATION RELATIVE TO HIDES.

WASHINGTON, D. C., *December 7, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Mr. Jones, in his brief for the National Boot and Shoe Manufacturers' Association, submitted a table, showing the top prices of top steers, steer hides, and sole leather, and this was for the purpose of proving his contention and that of other witnesses, that the price paid for cattle was not greater nor less, as dependent upon the price of hides in the market, and from this, he and other witnesses drew the conclusion that the man who buys the steer does not take into consideration the relative worth of the hide, and that on account of the conclusion thus reached, the man who owns the steer and sells it, gets no benefit from the tariff on hides in the price paid for the steer, as affected by the value of the hide, although the buyer of the steer does get the benefit of the tariff. That argument was for a purpose and not founded on reason.

The table is wholly misleading, first, because it is not the steer which makes the best beef, and which, therefore, brings the top price, which has the best hide.

Mr. Hill stated that the hides of "Spready" steers command the highest price. The table of market prices of hides, taken from the report of the Department of Commerce and Labor in the investigation of the beef industry, shows that the heavy Texas steers have the most valuable hides, and that the light Texas steers have as valuable hides practically as the heavy steers, and that butt-branded steers, Colorado steers, and heavy native cows have hides of approximately the same value.

We insert here a table, showing the ranges of the prices of cattle at Chicago, taken from the annual report of the Union Stock Yards and Transit Company, for the year 1907, giving the prices of the different classes of cattle, for each of the months of the year and the range in prices of the same classes of the average for each of the years 1896 to 1907, inclusive, from which it will be observed that the range in prices was very great on the same class as between classes.

Range of prices for cattle, monthly, for year 1907.

	Native steers 1,500 to 1,800 pounds.	Native steers 1,200 to 1,500 pounds.	Poor to best cows and heifers.	Native stockers and feeders.	Texas and western steers.
1907:					
January.....	\$5.50 to \$7.30	\$4.40 to \$7.20	\$2.60 to \$5.85	\$2.00 to \$5.00	\$3.75 to \$5.00
February.....	5.40 to 7.25	4.25 to 7.00	2.60 to 5.30	2.00 to 4.90	4.00 to 4.80
March.....	5.70 to 6.85	4.35 to 6.90	2.75 to 5.60	2.00 to 5.25	4.50 to 5.30
April.....	5.35 to 6.70	4.75 to 6.75	2.85 to 5.75	2.50 to 5.35	3.50 to 5.25
May.....	4.45 to 6.50	4.80 to 6.50	2.75 to 5.65	2.20 to 5.25	4.00 to 5.10
June.....	6.00 to 7.10	5.10 to 7.05	2.60 to 5.75	2.25 to 5.30	3.75 to 5.25
July.....	6.40 to 7.60	5.20 to 7.40	2.65 to 6.15	2.00 to 5.30	3.45 to 5.80
August.....	6.40 to 7.60	5.05 to 7.60	2.50 to 6.25	2.00 to 5.20	3.50 to 6.75
September.....	6.25 to 7.35	4.80 to 7.25	2.50 to 6.00	2.00 to 5.20	3.10 to 6.40
October.....	6.25 to 7.40	4.50 to 7.45	2.35 to 5.75	2.00 to 4.80	3.15 to 6.15
November.....	5.50 to 7.15	4.20 to 7.25	2.35 to 5.90	2.00 to 4.60	3.00 to 5.40
December.....	5.30 to 8.00	3.95 to 7.30	2.50 to 5.60	2.00 to 4.60	3.00 to 5.10
Range:					
1907.....	5.30 to 8.00	3.95 to 7.50	2.35 to 6.25	2.00 to 5.35	3.00 to 6.75
1906.....	4.75 to 10.50	3.90 to 17.00	2.40 to 6.60	1.75 to 5.10	2.90 to 6.35
1905.....	4.40 to 8.65	3.00 to 8.45	2.25 to 6.90	1.50 to 5.45	2.60 to 5.25
1904.....	4.35 to 10.80	3.35 to 12.25	2.00 to 7.50	1.50 to 5.50	2.40 to 5.65
1903.....	4.10 to 7.55	3.35 to 8.35	2.50 to 5.50	1.50 to 5.20	2.55 to 5.10
1902.....	4.25 to 14.50	3.60 to 9.00	3.35 to 8.25	1.90 to 6.00	2.55 to 7.65
1901.....	4.75 to 9.30	3.60 to 12.00	2.00 to 8.00	1.65 to 5.15	2.75 to 5.75
1900.....	4.70 to 15.50	3.90 to 11.00	1.75 to 6.00	2.10 to 5.25	3.00 to 5.90
1899.....	4.60 to 8.60	4.00 to 8.25	2.00 to 6.85	2.50 to 5.40	3.10 to 6.75
1898.....	4.10 to 6.25	3.80 to 6.15	2.00 to 5.40	2.50 to 5.40	3.15 to 5.40
1897.....	4.00 to 6.00	3.35 to 6.00	1.75 to 5.40	2.40 to 4.75	2.75 to 4.90
1896.....	3.40 to 6.50	2.90 to 6.25	1.75 to 4.40	2.20 to 4.10	2.10 to 5.60

Valuation, cattle, 1907.....	\$173, 326, 738
Valuation, calves, 1907.....	4, 424, 700

Thursday, December 5, 1907, 90 loads of fat cattle, exhibited in the International Live Stock Exposition, sold in the auction for an average of \$6.48, with the grand championship load at \$8. Top on open market that week was \$6.35.

It is common knowledge that the price at which cattle are sold is regulated more by the quality and finish than by the size and quality of the hide. Take a 5-year-old Texas steer half fat, which will sell from 3 cents to 4 cents, and take a steer from the same herd when he is 2 years old, put him on the range in Montana and keep him two years, ship him to Chicago market, and he will sell for a cent a pound more and will weigh at 4 years old probably 150 to 200 pounds more than the other steer mentioned. Then take either one of them and put them on feed for four months and the value will increase, both because of the additional weight and the quality, another cent per 100 pounds. These comparisons can be made all down the line, and it therefore must appear at once to any sensible man that the attempt to draw the conclusion that the owner of the steer gets no benefit from the market value of the hide, whether that value have the 15 per cent in it or not, is absurd. We insert this table of prices with these suggestions to show how utterly erroneous are the conclusions thus placed before this committee by these gentlemen, the tanners and shoemakers, who, whether intending it or not, will mislead the committee into the belief that the owner of the animal sold on the market does not profit by the fact of a higher range of prices for hides, made so by the tariff, but that the purchaser of the animal gets that.

Undoubtedly this contention has for its foundation wholly the thought that if these gentlemen can lead this committee to believe that the raiser of the live stock does not get a benefit from the tariff that it will be all the easier to get hides put on the free list. It is quite

inconceivable that the tanner and shoemaker care in point of fact whether the farmer gets it or not; they are afraid to run counter to him. What they want is that the tariff be taken off, in order that these manufacturers of leather and shoes may increase their own profits. If they can make you think the packers get it they hope for easy sailing.

The plea is made all the way through for the laboring man and for the ultimate consumer of shoes and leather, and these gentlemen say that it is only on that account and not for their own profit that they wish the tariff removed. Now, if this is the true object, what difference does it make to them whether the man who slaughters the steer gets the benefit of the tariff or whether the farmer gets it? He asserts that his object is to transfer the benefit to the laborer and the consumer.

Mr. Hanan seems to have based his argument upon the proposition to extend the market for American-made shoes in foreign countries, and he complains that the English manufacturer exports four times the amount of shoes into France to what the American manufacturer does, and he states that the American shoe is handicapped by a maximum tariff, with all signs pointing to a greater increase in the future, and then states that some relief must be had if the American manufacturers' market is to be extended.

He states that some relief would be had if the tariff on hides would be removed, and "to that extent will lessen the original cost to meet the burden of the foreign import tax upon the American shoes." He says: "Give us free hides and the American shoes will be improved in quality or lowered in price to the American consumer, placed within the reach of a larger body of consumers abroad, and a great benefit will be visited upon a much larger per cent of the population of this country by a substantial addition to our annual wage distribution." These are pretty phrases, but utterly inapplicable to the facts; besides, it is a strange doctrine—indeed, novel—that the stock raiser shall suffer in order that the manufacturer shall be able to pay the foreign tariff.

As was shown in our brief and in the examination of various witnesses by the committee, the difference in price of the shoe can not amount to more than 3 cents or 4 cents per pair, and Mr. Hanan's assertion that the wage-earners will get it is not supported by any proof.

It appears that what he thinks would happen is a large increase in exports by taking off the tariff on hides; he apparently overlooks the complete answer to this contention that there is no tariff in such case; besides, he points out that the duty imposed by France is the only obstacle there—that is, 48 cents per pair.

What is the use of Mr. Hanan talking about this tariff on hides as related to the export business of shoes when, in the first place, the tariff does not exist if the shoes are made from the imported leather, when his effort is to get imported hides and leather, which he can now do, and, in the second place, he now has a large and rapidly growing foreign trade.

It has been so repeatedly affirmed, as is stated by the quotation from an address of Governor Douglas, that hides began to advance in 1897 and continued thereafter to advance, etc.; that this committee may have been misled to believe that it was in fact true; but

such is not the case. Furthermore, this statement has been made for the purpose of having the committee draw the conclusion that it was because of the tariff on hides that such advance in price of hides has taken place.

In the review of the Chicago hide market, in the issue of the *Leather Reporter Annual* for 1908, is shown the fluctuations of each month for seven years, 1901 to 1907, inclusive.

Average prices of Chicago packer and country hides for 1907, with comparisons.

[From *Hide and Leather Reporter*, December 28, 1907.]

	Native steers, heavy.	Butt.-branded steers.	Texas steers, heavy.	Texas steers, light.	Colorado steers.	Native cows, heavy.	Native cows, light.	Branded cows.	Native bulls.	Branded bulls.
Chicago packer hides, 1907:										
January	\$16.31	\$14.50	\$15.25	\$15.25	\$14.25	\$15.44	\$16.19	\$14.25	\$13.25	\$10.50
February	16.25	14.50	15.25	15.25	14.25	15.06	14.85	14.25	13.25	10.50
March	15.45	14.25	15.25	15.25	14.05	14.40	13.95	14.20	12.80	10.50
April	14.25	13.56	15.00	14.90	13.87	13.31	13.00	13.70	12.06	10.25
May	14.45	13.90	15.05	14.93	13.75	13.25	13.37	13.25	11.65	10.30
June	14.95	13.95	15.25	14.90	13.75	13.65	13.65	13.00	11.25	10.25
July	14.69	13.56	15.00	14.25	13.66	13.50	13.10	12.95	11.81	10.05
August	14.10	12.55	13.80	12.70	12.06	12.80	12.00	11.80	12.65	10.05
September	14.12	12.00	12.81	10.87	11.00	12.50	11.87	9.70	12.35	9.56
October	14.68	12.00	13.00	11.00	11.06	12.62	12.06	9.75	12.10	9.85
November	13.60	11.15	12.20	10.05	10.25	11.50	10.85	8.65	11.55	9.50
December	11.95	9.58	11.25	9.50	9.00	9.50	8.83	7.58	10.50	8.58
Average:										
1907	14.56	12.20	14.09	13.23	11.82	13.12	12.72	11.88	11.85	9.99
1906	15.43	13.99	14.88	14.85	13.66	14.96	14.88	14.11	12.20	10.59
1905	14.36	13.26	14.45	13.91	13.13	13.18	13.10	12.90	10.80	9.78
1904	11.77	10.93	12.67	11.71	10.84	10.62	10.47	10.27	9.12	8.13
1903	11.72	10.62	12.71	11.14	10.47	9.92	9.59	9.19	9.61	7.68
1902	13.37	12.33	12.45	12.46	12.09	11.21	10.14	10.02	10.62	9.15
1901	12.40	11.46	12.93	11.52	11.23	10.68	10.12	9.91	10.17	8.52
1900	12.00	11.08	12.09	11.16	10.54	10.68	10.50	10.24	9.93	8.46

Chicago country hides.

	Heavy steers.	Heavy cows.	Bufs.	Ex- tremes.	No. 2 bufs.	Bulls.	Calf- skins.	Klps.
1907:								
January	\$14.12	\$13.25	\$12.87	\$12.87	\$11.87	\$11.50	\$16.00	\$13.50
February	14.25	13.15	12.85	12.81	11.85	11.44	16.10	13.10
March	13.65	13.81	12.20	12.20	11.20	11.20	16.25	11.90
April	12.19	11.31	10.75	10.75	9.75	10.31	15.56	11.25
May	12.06	11.06	10.87	10.50	9.87	10.00	14.62	10.18
June	12.25	11.05	10.90	10.70	9.90	9.90	15.00	11.63
July	12.06	11.00	11.00	11.25	10.00	10.06	14.95	11.25
August	11.15	10.70	10.45	10.95	9.45	9.75	15.00	11.50
September	10.94	10.18	10.03	10.75	9.06	9.25	15.00	11.50
October	10.75	10.25	10.25	10.95	9.25	9.25	15.25	12.25
November	9.75	9.00	10.87	9.75	9.87	9.68	14.25	11.35
December	8.16	7.16	7.00	7.50	6.00	6.00	11.83	8.13
Average:								
1907	11.77	10.99	10.83	10.06	9.83	9.83	15.81	11.41
1906	13.76	13.44	13.41	13.44	12.45	11.07	15.76	13.73
1905	12.42	11.90	11.83	12.04	10.84	9.60	14.94	12.56
1904	9.91	9.41	9.39	9.59	8.41	8.08	13.43	10.81
1903	9.72	8.62	8.51	8.77	7.56	8.12	12.03	9.93
1902	10.35	9.22	8.79	7.74	7.74	9.11	11.82	9.36
1901	10.21	9.23	9.01	8.77	7.73	8.84	11.85	9.43
1900	10.92	9.36	8.79	9.53	8.16	8.49	11.82	10.16

The heavy native steer hides in 1901 were 11.94 cents, and January, 1907, to 16.27 cents. December, 1901, the same hides sold at 13.89 cents, whereas in December, 1907, they sold for 11.85 cents.

January 1, 1901, butt-branded steer hides sold for 11 cents, and in December of the same year, 12.45 cents; in 1907 the same hides sold in December at 9.73 cents.

Heavy Texas steer hides, January, 1901, sold for 11.98 cents, and in December, 1907, they sold for 11.20 cents. Colorado steer hides sold in January, 1901, at 10.50 cents, and in December, 1907, at 9.39 cents.

Such comparisons are fairly illustrative.

Now, it has been said that it is the heavy hides which the packers control, and on which they have advanced the price, and the claim is that it is because of the tariff, but it also appears that the light native cowhides sold in January, 1901, at 9.97 cents, and increased to 15.10 cents in January, 1907, and decreased during that year so that in December, 1907, the same hides sold for 9.06 cents. So the fluctuation was equally great in the case of the light cowhides, which, it was not seriously claimed, the packers control.

No. 1 calfskins sold for 12.05 cents in January, 1901, and at 16.03 cents in January, 1907, and declined during that year to 12.03 cents in December, 1907.

In the case of No. 1 kips, in January, 1901, the price was 9.80 cents, whereas in January, 1907, increased to 13.45 cents, and declined during the year to 8.93 cents, at which they sold in December.

Now, these two last classes of hides are not subject to the tariff, and it was freely stated that light cowhides were often, indeed, generally not subject to the tariff, yet we find the fluctuations in the market substantially the same from 1901 to 1907 in the hides not subject to the tariff and those which were subject to the tariff. The oft-repeated contentions of the witnesses apparently holding the tariff on hides responsible for the increase on their values, and that thereby the packers fixed the price and could not otherwise do it seems, therefore, to be utterly without foundation. Is that the sort of evidence on which this committee will act? Surely not, for if so, its judgment is worthless.

Mr. Jones stated that this tariff compels the manufacturers of leather to sell their leather 15 per cent less abroad than they sold it in this country, but as 3 pounds of hide make 2 of leather, and the hide averages 13 cents, leather 33 cents, the tariff on the hide could not amount to over 10 per cent of the leather value. Why do these men "fudge?" Mr. Jones also says, "I will leave it to you if the man who has his material laid down in his factory at the lowest price is not the man who receives the benefit of the protection. If there is any answer to that proposition, I should like to know it."

Thus he confesses what is perfectly apparent, viz, that it is the object of these manufacturers who have appeared before the committee to thus take the benefit, instead of indulging that Damon and Pythias benevolence, which they have so beautifully expressed, of turning it over to the laboring man and to the consumer.

Mr. Jones said that all classes of upper and sole leather were sold abroad regularly and every day at far less than they are sold for here. Shall the farmer and stock raisers, therefore, sell their hides cheap enough to make up the difference? What becomes of their charity when we come in?

Mr. Jones further said: "The protection of the workingman abroad seems to me to be quite a point. It does not protect us, but it does protect the foreigner." Yet Mr. Hannon wants to sell shoes cheaper to the foreigner, hence to take off the tariff on hides.

There can be nothing to this, in view of the fact that the drawbacks are now allowed on manufactured articles and leather made from foreign hides when sent to a foreign country.

Then Mr. Jones makes the remarkable statement, probably in obedience to the suggestion of the chairman to "devote himself to the main proposition," viz, that "It is a fact, which everyone knows who is familiar with the subject at all, that hides are getting more scarce year by year." I say it is amazing if he intended that to apply to this country, for they have increased in production about 50 per cent since 1897, according to the report of the total number of cattle, shown on page 31 of our brief, taken from the statistical report of the Department of Commerce and Labor for the year 1907.

Mr. Jones then states that "Every hide that is taken off in the whole world has a ready market; it is immediately used up." Now, if this be true, how can he possibly expect that the taking off of the tariff will reduce the price of the hides? What becomes of the contention that the increase in price of hides in this country is caused by the tariff? Can the tariff do more than insure us a home market at the world's price, less cost of carriage?

Mr. Jones then states that if the hides from South America, Africa, and India should come here, they would be manufactured into shoes and thus shoes would be exported to all countries of the world. Does the present tariff on hides interfere with that? Undoubtedly, no. Is the price of hides here above the London market? Little, if any.

He asserted as part of his argument that there has been a falling off in the hides imported into this country since the duty was imposed, and he states that we imported 29,000,000 less, and that it means so many less workingmen employed and so much less leather gets manufactured in this country, etc. Where do his figures come from?

We can not know what years Mr. Jones used for comparison, but we refer to pages 8 and 9 of our brief, to show the imports of hides of cattle for ten years (1898-1907), from which it appears that the amount of imports fluctuated enormously, regardless of the tariff and increased materially, being 126,000,000 pounds in 1898, compared to 156,000,000 pounds in 1906, 113,800,000 in 1905, 163,000,000 pounds in 1900.

The increase in exportation in shoes was from 1,307,000 pairs in 1898 to 5,833,000 in 1907, and 6,552,412 pairs in 1908. This was a continual increase as it now is. Thus in ten years exports of shoes increased 400 per cent.

Here is a comparison of imports, hides, leather, and shoes, compared to exports:

Our total imports of hides in value (1908):

Goat skins	\$17, 325, 126
Hides of cattle, dutiable.....	12, 044, 435
All other hides and skins.....	25, 400, 575

Total	54, 770, 136
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Imports of leather (exclusive of gloves):	
Upper, belting, dressing skins, etc-----	\$4, 852, 409
All other -----	1, 448, 720
Total hides and leather (exclusive of gloves)-----	<u>61, 071, 265</u>
Exports of leather (exclusive of gloves):	
Sole leather -----	7, 024, 313
Upper leather glazed -----	4, 369, 587
Patent -----	157, 088
Upper—splits, etc -----	17, 779, 716
All other -----	2, 727, 513
Boots and shoes-----	10, 666, 949
Harness, etc -----	767, 418
Other -----	1, 984, 385
Total -----	<u>45, 476, 969</u>
Total hides and skins (not furs)-----	<u>1, 760, 032</u>
Grand total -----	47, 237, 001
Balance of imports above exports-----	13, 834, 264

Goatskins, which make uppers for our shoes, exceeds in value this difference by \$3,490,462.

When we consider that the total value of boots and shoes produced alone in 1905 (latest figures), produced in this country, was \$320,107,-458, an increase over 1900 of 23 per cent, and an increase in export trade since 1897 of 400 per cent, what complaint can there be as to the great progress of the business, or that we are suffering from shortage of hides, or for want of a market?

The leather production in 1905 was-----	\$242, 584, 254
Against same in 1900-----	173, 977, 421
Increase, 39 per cent.	
Against same in 1890-----	98, 088, 698
(See Census Bulletin 72, 1905.)	

Why this clamor about decreasing business?

Why should we export leather from this country and export shoes made from the leather of home-grown hides if we do not produce enough hides to supply the leather used in this country? And why sell those shoes cheaper abroad than at home? Why do they insist on imported free hides for the purpose of manufacturing in order to sell in foreign countries when they do not have to pay a duty on the material going into such exports?

Now, Mr. Jones further states that the packers "control every hide that is produced in this country." Of course, that is not true, and was either made ignorantly or to deceive. Then, again, he says that they become very large tanners; that his friends in the leather business are compelled to buy their raw material from them as competitors; that the packers send their agents throughout the country to buy up hides.

Why do not Mr. Jones's friends, the tanners, buy hides from the people that the packers buy from? What is to prevent it? Is it not a fact that they do buy from independent butchers, slaughterers, and hide dealers everywhere? We assert it to be a fact, and challenge investigation.

Then he states that the packers name the price of hides; then he states that the hides dropped during 1907, owing to financial conditions, like every other commodity, to a very low price. But as there

was a scarcity of hides, if we believe him, why didn't the packers keep the price up?

He then inquired what his friends, the leather men, are going to do in competition with leather which the packers have for sale, and that as he claims, is made on the basis of the 9-cent hides; and for this, he says that the condition is absolutely incompatible with the independent tanner.

Why would the independent tanner be hurt in competition with the packer unless the packer was selling the leather cheaper to the consumer? It is amazing that these gentlemen profess so much concern for the consumer and urge that the duty be taken off the hides, with such vehemence, and yet in the same breath make it as a part of their complaint that the packers have tanned hides and sold the leather in competition with their tanners. He says that every independent tanner will be wiped out in three years if the duty is not taken off. If that comes about by consolidation of these concerns engaged in tanning, it is quite independent of the tariff; but rather the tendency will be that the tariff will prevent them reducing the price of what they buy—hides. Must the independent tanners' life depend on lower hides? If so, he is down and out the world over.

Of course, all of these contentions which they make are mere jargon of words. The packers start out with only the control of the 5,000,000 hides they slaughter. If they fix the price of hides by what they have to sell, surely it fixes it for what hides they buy from others, else the tanners would buy from the other hide men, as they undoubtedly do, and pay the same price.

As we have shown, hides increased enormously in price, and presumably in all parts of the world, up to January, 1907, then declined 40 per cent. But when did this committee conclude that a high price is an evil? Is not the doctrine of high prices for farm products the gospel of prosperity? Why this change when it comes to getting it?

It would seem useless, therefore, to further answer in detail these arguments and false hypotheses, which have been made for the sole purpose of trying to convince this committee that it makes no difference to the farmer and stock raiser who produces the animal that there be a tariff on hides—that the packers get it.

As we understand it, the contention is made that the big packers control the United States Leather Company, and that by the methods claimed to be used that company and the packers control the business in hides and leather, and that such being the case they get the benefit of the tariff on hides to the detriment of the so-called independent tanner.

The most complete proof we can make against that theory is contained in an article published in the May number of *The Annals of the American Academy of Political and Social Science*, written by Mr. A. Augustus Healy, vice-president of the United States Leather Company, New York City, wherein the same argument for free hide is urged substantially as is presented to this committee. Is it not strange that if they get the tariff on hides, such article should have appeared? We quote from it in order that you may judge. The article is, in part, as follows:

THE LEATHER INDUSTRY AND THE TARIFF.

[By A. Augustus Healy, vice-president United States Leather Company, New York City.]

The leather industry is one of the industries of the United States that are victims, not beneficiaries, of the tariff. Shoe manufacturing is another. Agriculture, conspicuously, is a third. There are others.

Partly because of the abundance in our country of oak and hemlock bark and other tanning material, partly because of the enterprise and skill of our people, American tanners have been able, not only completely to hold their home market, but to export increasing quantities of leather to Europe. This they have succeeded in doing notwithstanding the handicap imposed upon them by the tariff—a handicap now more serious than ever.

The leather industry has never asked for governmental favor. It has never demanded that the people of the United States be taxed for its benefit, but itself has been taxed and is now taxed by the tariff for the benefit of other and more favored industries. It has paid higher prices because of the tariff for its steel and copper, for building material, for machinery and tools, for oils, and other minor articles used in manufacture. It has paid these taxes and all engaged in the industry have paid an increased cost of living by reason of the tariff without getting the slightest benefit in return. Added to this, our market abroad is diminished by the high tariff on foreign imports, which prevents other countries from sending here commodities in return for which they would take increased quantities of our leather and also increased quantities of our boots and shoes.

Notwithstanding the double detriment to our industry worked by the tariff, until a decade ago no protest or complaint had gone up from leather manufacturers. The protective system in an extreme form had been adopted by the Government and was accepted by them as part of the established order of things. The injustice and injury to their particular business was borne in silence. But when, in 1897, it was proposed in the Dingley tariff to assail us with a duty on hides, the raw material of our industry, the leather people thought that it was time to protest. A delegation went to Washington and appeared before the Ways and Means Committee to remonstrate against the imposition of this duty. They told how not only the manufacture of leather, but cattle raising, had expanded and reached to foreign markets during a quarter of a century of free hides. They showed that the United States produced and could produce only about two-thirds of the number of hides required by our tanners, necessitating large imports of them [NOTE.—Cattle have increased in the United States over 50 per cent since 1897; see our brief, p. 31]; that we should be at a great disadvantage in the hide markets of the world in competing with Canada and European nations, none of which imposed a duty on hides; that our growing export trade in shoes would be handicapped by the enhanced cost of leather. They pointed out that hides, in relation to cattle, were a by-product, and farmers would get little or no benefit from the duty; that there had been no request for such a duty from cattle raisers, or, indeed, from any source, so far as had been heard [NOTE.—But the cattle raisers do protest against putting hides on the free list. That has been their interest all the time]; and, finally, that it would be most unjust to the leather and shoe industries of the country, which then were receiving only injury from the tariff, to impose this additional burden upon them. The argument at the hearing was one-sided, no one appearing in favor of the duty, but the committee turned a deaf ear to the appeal of the leather men and the odious tax was imposed. At that time Senator Hanna was in control. He had promised that "everybody should be protected," and no person in opposition to a duty had any standing at Washington.

During the decade since the imposition of the duty on hides it has been a constant and serious detriment to the great leather and shoe industries of the country, which employ so many thousands of men and so many millions of capital. The injustice and injury of this duty is deeply felt by all connected with the shoe and leather trades and is voiced at every meeting of their associations. A large delegation of prominent leather and shoe manufacturers appeared before President Roosevelt more than a year ago to invoke his influence with Congress in favor of its repeal, but without result.

By dint of great effort and with a minimum of profit on their exported products, the leather and shoe manufacturers have been able thus far to retain

their hold on foreign markets. [NOTE.—Not only that, but a growing trade—400 per cent increase in ten years.] Their trade, however, with European nations is not increasing, and there is danger of its diminution. Through the operation of the maximum and minimum tariff our exports of shoes to Germany and France are likely soon materially to fall off unless our Government responds to the overtures of those nations for some form of reciprocity. [NOTE.—Mr. Hannan says the French tariff is in the way.] We can produce here a better quality of both sole leather and upper leather at a given price than can be produced in Europe. We are far more skillful in the manufacture of shoes. But, as President McKinley said, "If we will not buy, we can not sell." We need reciprocity with the countries of continental Europe, with Canada, and the South American republics. A more liberal policy on the part of our Government in the establishment of trade relations with other countries, which should result in increased interchange of commodities upon a fair and friendly basis of reciprocity, would tend greatly to augment our exports of leather and shoes, to the great advantage of those industries and to the benefit of the country at large. [NOTE.—How can trade relations be established with free trade on hides, leather, boots, and shoes?]

Now, can anyone read this and doubt that the tanners, great and small, ride in the same boat—no tariff on hides?

We are on the other side.

Now, let us assume, for the sake of the argument, that it is a fact that the packers send their agents throughout the country buying the hides, so that they get control of the 55 per cent or 60 per cent which they do not skin; and let us assume that they are thus procuring hides to be tanned by contract, when not salable at a satisfactory price, and that they do in fact control some of the largest leather-producing concerns. What would their agents pay the farmer and stock raiser and independent butcher and other producers of hides if there is no tariff on hides? Had you thought of that? Suppose the independent tanners of this country, instead of supplying themselves from the other hide producers and packers, independent butchers, and should in fact go to South America for their hides. Will that not leave the farmer and stock raiser in a worse condition by having an ultimately poorer demand and lower price for hides? Can any sane and honest man deny that it would cost the farmers and stock raisers all the tanners gain? Would not the packers, as hide men and tanners, gain just as much as the tanner?

It was stated by Mr. Cobb that during the years 1880 to 1895 hides were low. "In other words, as a by-product they brought low prices. In 1889 we bought buff hides at 4 cents per pound. In 1893 we bought them as low as 3 cents per pound. At the present time, they are 13 cents. It is possible in foreign trade to do a large increasing business, if prices are not excessively high; when over 9 cents or 10 cents per pound for buff hides, our trade is entirely gone, as they use India skins for substitutes. For the past few years we have not been able to sell abroad upper leather in any quantity except under panic conditions, owing to the high values prevailing."

This statement follows his statement that before the advent of the American Hide and Leather Company in 1889, the tanners of upper leather were doing well, but he says that "This trust corralled practically two-thirds of the upper-leather tanners, leaving not more than a baker's dozen of what were called independent tanners in the upper-leather business. From the date of their starting (1889) to the present time, this trust appeared to be out for quantity of business rather than profit."

Now, if the 14,000,000 hides produced in this country were increased from 3 cents or 4 cents per pound to 13 cents per pound—and he is speaking of buff hides which are wholly produced outside of the packers—surely those who produced them got the added price. If the American Hide and Leather Company, be it a trust or not, has increased the price of hides from 3 cents or 4 cents to 13 cents, and has enabled the farmer, raiser, and small butcher to sell his buff hides and get something for them instead of throwing them away, they have certainly been greater philanthropists than these gentlemen who now apparently wish the price to be reduced to enable these manufacturers to enter European markets, as stated by Mr. Cobb. Oh! the unselfishness of the tanner and shoemaker who would deprive the producers of the buff hides of 3 cents or 4 cents per pound, so that he can sell shoes and leather cheaper to foreigners than to his home people.

We challenge the correctness of the whole of the statements of these gentlemen with respect to the seller of the animals not getting consideration for the value of the hides, and that as affected by the tariff, no matter whether sold on the animal or sold after it is skinned; and we claim that the tanners can buy the hides, other than those skinned by the big packers, at the same price the packers pay for them, if the tanners will arrange the proper methods of buying; if the American tanners can compete with the world making leather surely they can buy the hides that are for sale, if they can pay the price. If the price is high, the seller gets it. We ask the committee to summon salesmen of cattle on the markets and salesmen of hides for independent slaughterers for the purpose of ascertaining the truth of these matters. Our information is that tanners buy freely from independent slaughterers, including both large and small tanners. We say, get at the truth.

Much has been said about the quantity of hides of cattle imported free of duty weighing under 25 pounds, salt or pickled, and under 12 pounds dry, but an examination of the statistics shows this to be of small importance. Statistics do not separate the kinds of hides except goatskins (free), cattle hides (dutiable), and all others than fur skins (free). The hides of bovine species must be found under that head, and as cattle hides come most largely from South America the ratio can be best ascertained by that comparison. The result is that we imported from South American countries (1907) 49,697,269 pounds of cattle hides, dutiable, and all other hides and skins (except goatskins) free, but 4,928,336 pounds, or about 10 per cent as much of the latter as the former, or about 9 per cent of the total. Included in these, however, is a large per cent of other than cattle hides, but the statistics are not shown. Probably if worked out it will be shown that not over 6 per cent of the total cattle hides come in free from South America.

What part of these are made into leather which is exported can not be shown, but since we export in sole leather alone equal in weight to about 40 per cent of the dutiable cattle hides, and the exports are mainly made from imported hides, and since we export approximately \$25,000,000 of upper and other leather, of which split, buff grain, and upper leather is \$17,779,716, it is clear that our exports of leather from cattle hides of all ages, both dutiable hides and free,

is almost if not quite equal to the imports of cattle hides; and that if there be an excess of importation of cattle hides, dutiable and free, it must be looked for in European imports (free) of hides and skins (other than goatskins, free, and cattle hides dutiable), the total of which from Europe was (1907) 98,640,447 pounds, or from North America, 14,566,200 pounds.

These latter are practically all from countries having tariff systems, except the United Kingdom, from which we imported of the above total hides and skins, free (1907), 28,823,287 pounds.

The total value of such imports from all of Europe was \$23,549,037.

In so far as they are hides of cattle, it is of the utmost importance that a maximum and minimum tariff be provided for as a trading margin, as well as to make secure our home market for our own hides, when we come to make agreements to get an outlet for our surplus products of all sorts in these countries. Indeed, it is by no means certain that for purposes of revenue and for trading purposes we should not impose a minimum and maximum on the goatskins which come in free, but let it be upon a basis so small as not to increase materially the price of shoes to the consumer.

Most of the continental countries of Europe have a tariff system framed for trade and adjustable to that use, and we must bear that in mind, and put ourselves in a position to utilize our wonderful market as a temptation to their trade to some degree if we gain access to theirs to a still greater degree, upon which ground alone can a maximum and minimum system be defended.

OUR POSITION FOR TARIFF ON HIDES, LEATHER, AND MANUFACTURES OF LEATHER, AND BOOTS AND SHOES DEFINED.

First. We challenge the records of the Bureau of Manufactures of the Department of Commerce and Labor to show that we are just on the eve of facing competition of machine-made shoes in England, Germany, France, and Austria, made with our machines and by our methods, in any style demanded by the trade.

Second. They are fast adopting our best tanning and finishing processes.

Third. We are confronted with a tariff in most European countries on leather and manufactures of leather, boots and shoes, which countries are developing rapidly their trade, training labor of the same sort which we use and increasing their efficiency rapidly at low wages.

Fourth. We produce more cattle than the whole of South America, and far more than double any European country, yet barely enough cattle hides to supply our own home consumption in normal times of trade and probably an insufficient supply for present and future supply.

Fifth. We are vitally interested in increasing our production of cattle and hides.

Sixth. But above all interested that the producer get good prices.

Seventh. We are vitally interested in development of our trade in our manufactured articles and farm products in foreign countries, to increase our own output; hence to preserve our home market, as far as practicable, consistent with the largest production on the whole.

Eighth. We submit that for these reasons neither hides of cattle, leather, manufactures of leather, or boots and shoes should be put on the free list, but a sensible tariff system adopted to subserve our interest, and equalize its burdens or benefits fairly. Supposing a protective system is to be adopted on a basis of maximum and minimum schedules, let the minimum be low enough to enable us to reach the markets of the world on reciprocal trade agreements, yet preserve our home market for our home products to a reasonable degree, and maximum high enough to exclude those who do not deal fairly with us.

Ninth. Let those who send their goods and products here pay some tax for entry to our markets, where we are producing large supplies of the same sort.

Tenth. It is our opinion that, so long as a protective system is adopted, it would be foolish to put leather and manufactures of leather on the free list, which will surely in time decrease our output, or to put cattle hides on the free list, which is our only hide production to speak of, and thus reduce the value of our cattle, and strongly tend to decrease the number.

Eleventh. We believe, therefore, that a tariff should be placed on each of these products.

Twelfth. We further urge that it is imperative that in the schedules for manufactured articles and products more extensively made in foreign countries than by us, and which they are anxious to sell us, that as a basis for our more extensive trade with such countries in the way of leather, manufactured articles of leather, boots, and shoes, and every item of extensive farm production, particularly meats, live cattle, and hides, we should make schedules of minimum tariffs on a basis that will admit of beneficial reciprocal trade agreements.

Thirteenth. To leave out of the tariff scheme reciprocal trade agreements as to hides, leather, boots, and shoes would be suicidal.

Fourteenth. To leave it out in case of dressed beef and live cattle would be a crime, as we shall show this committee later.

We urge, therefore, that all this talk about putting hides and leather, boots and shoes on a free list, yet have a system of protective tariff, is a crime against a great industry, the very suggestion of which surely proceeded from insufficient knowledge or analysis of the facts.

Again, it is said that if leather and the manufactures of leather go on the free list hides should go on also.

We dispute this; we admit that in such case the price paid could not embrace the tariff, but a tariff would insure a home market for home-grown hides, which is very important for obvious reasons.

But so it is on leather and manufactures of leather, boots and shoes. Hence our prayer that all cattle hides, large and small, and the leather, manufactures of leather, boots and shoes be left in the scheme of maximum and minimum tariffs.

If, in making a tariff scheme to give us the greatest leverage to get good trade agreements, you leave out such important items as these, and give the world—all alike, every country—free access to our great markets, you enormously weaken our position. Free trade thus given to each and all of them by the law offers no inducement for either of them to take our goods or products on the most favorable

basis, while a maximum and minimum holds in our hands these important trade considerations. In this surely the tanners and shoemakers ought to concur.

Respectfully submitted.

S. H. COWAN.

DANIEL P. TOHILL, HAILEY, IDAHO, WANTS THE DUTY KEPT ON HIDES AND A DUTY PLACED ON FURS.

HAILEY, IDAHO, *December 8, 1908.*

To the CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

MY DEAR SIR: A few days ago agents of the leather trust and the shoe manufacturers appeared before your committee and asked to have hides placed on the free list, claiming that the beef trust controlled 70 per cent of the hides of the United States. This is a clear case of satan rebuking sin. Now, as a matter of fact, the beef trust controls less than 30 per cent of the hides of the country. The great bulk of the hides of the country come from the butcher shops of the country towns and the farms of the country. If an animal dies on the farm or on the western range all the owner has left is the hide. When the Dingley bill was under consideration the leather trust got in its work by having the duty on hides placed as low as 15 per cent, when it ought to be at least three times as much. Now it comes forward and asks for free hides. It is to be hoped that your committee will treble the present duty, as shiploads of hides will still continue to come from Australia, Argentina, Mexico, and Canada. In the countries just mentioned hides are almost valueless and an increased duty will simply mean that the United States will receive more revenue from that source. Since the panic of a year ago hides have fallen nearly a half in price, but the price of leather remains the same. In some instances it has been increased.

There is another way to increase Uncle Sam's revenue and at the same time make the rich pay for it. Furs are on the free list, notwithstanding the fact that they are a luxury of the rich as much so as diamonds and silks. The vast quantity of raw furs entering this country from Canada, Siberia, and Asia ought to be made a source of revenue by placing a heavy tariff on them.

In revising the present tariff it is to be hoped that you will do justice to the poor producers of our land and place the burden on those best able to bear it.

Most truly, yours,

DANIEL P. TOHILL.

COL. ALBERT CLARKE, BOSTON, MASS., FILES COPY OF PROTEST OF WORKINGMEN AGAINST REMOVAL OF SHOE DUTY.

BOSTON, *December 9, 1908.*

HON. SERENO E. PAYNE,
*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: In my examination by the committee late last week, I was asked to furnish to the committee a copy of a protest against the re-

moval of the duty from shoes which had been issued by some workmen in Lynn, and I promised to send it. It gives me pleasure to comply, and the same is inclosed.

Very truly, yours,

ALBERT CLARKE.

WOULD RECIPROCITY HELP AMERICAN SHOE WORKERS.

[From the Lynn Central Labor Union's programme, issued for the Massachusetts State Branch of the American Federation of Labor Convention, 1904.]

The duty on imported shoes is 25 per cent. If it were repealed or reduced, would not some of the low-wage countries, all of which now have American shoe machinery, compete with us and would not our manufacturers make it an excuse for reducing wages? Let us see:

Comparison of daily wages of several classes of shoe workers.

	Canada.	England.	France.	Massachusetts.
Outters.....	\$1.50	\$1.30	\$1.35	\$2.40
Lasters.....	2.00	1.34	1.60	2.65
Stitchers.....	1.49	1.05	1.25	2.25
Heelers.....	1.42	1.22	.77	3.72
Edge setters.....	1.67			3.69
Finishers.....	1.73	1.30	1.06	3.11

In 1894 the weekly wages of journeymen shoemakers in Germany ranged from \$1.66 in Breslau to \$5.23 in Bremen, and in other places they were from \$2.50 to \$3.50. That is, they were little more for a week than similar workmen in America get for a day. A consular report says that in Berlin the average earnings per year in the different factories are, for men, \$142.80 to \$214.20; for women, \$47.60 to \$119, and for youths of both sexes, from \$47.60 to \$117.10. Doubtless they are somewhat higher now, but they are still very low compared with earnings in America.

It may be said that the American workman turns out a greater product in the same time than any foreign workman. As a rule this is true, but the official reports from which the above table was compiled show that foreign operatives of the same class work more hours per week than those in Massachusetts—for example, 59 in England, 60 in Canada, and 60 to 72 in France, as against 58 in Massachusetts. Probably the longer time abroad nearly makes up for the slower speed.

If it should be allowed that the weekly product of the American workman is greater by 20 per cent than that of his foreign competitors, the labor cost here would still be more than 50 per cent greater than in Canada, 90 per cent greater than in England, and 95 per cent greater than in France. This would give those countries a dangerous advantage in competition.

We are gaining foreign markets without reciprocity. Our exports of boots and shoes for the year ending June 30, 1904, were valued at \$7,238,940, as against \$1,708,224 seven years ago, when the present tariff was enacted.

And yet about forty times as many of our boots and shoes are sold at home as abroad, and the home market grows faster than our for-

eign market. What should we gain by exchanging it for them? Reciprocity might for a time help merchants and shippers, but for working people it would be a delusion and a snare.

CHARLES O. WHIDDEN,
President Joint Council, No. 4, B. and S. W. U., Lynn, Mass.

JOHN R. RONALD,
*Secretary-Treasurer Joint Council, No. 4,
B. and S. W. U., Lynn, Mass.*

ALBERT M. HARLOW,
Local 32, B. and S. W. U., Lynn, Mass.

**THE CINCINNATI SHOE MEN'S ASSOCIATION ASKS THAT HIDES
AND SKINS BE PUT ON THE FREE LIST.**

CINCINNATI, OHIO, *December 9, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At our regular monthly meeting held to-day it was decided to appeal to your honorable committee that in the adjustment of the new tariff schedule to place hides and skins on the free list.

The duty on hides and skins, as at present in operation, seems merely to protect only the large packing corporations and the hide speculator, against the interests of the consumer, manufacturer, and retailer.

We feel that by the continuation of the duty on hides and skins, it in no way benefits the stock raiser, nor does it help to stimulate the leather market, except to the interests of the few against the masses as a whole. The domestic supply of hides and skins is inadequate to the demand, thus the price on the finished leather is controlled by a few combinations, who have advanced prices to such an extent that it is hard to furnish the average wage-earner footwear consistent with his salary. By abolishing the duty on hides and skins, we feel that it will enable us to give the consumer a more staple class of footwear and at the same time help our shoe manufacturers of this country, who at present outclass any foreign market as to style and general appearance, by adding to their product a more substantial quality, which under existing conditions it has been and is hard to obtain.

Trusting your honorable committee will give this their consideration, I remain,

Yours, very truly,

ROBT. BRINKMAN,
President Cincinnati Retail Shoe Men's Association,
J. MACDONALD, *Secretary.*

**THE MASSACHUSETTS STATE BOARD OF TRADE CHARACTERIZES
THE DUTY ON HIDES AS BURDENSOME.**

BOSTON, *December 10, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means.

DEAR SIR: At a meeting of the executive council of the Massachusetts State Board of Trade, held November 24, the following resolution was passed:

Resolved, That the executive council of the State Board of Trade reaffirms its previously expressed opinion that the 15 per cent duty on hides is burdensome and unjust to our boot and shoe manufacturers, and should be removed.

Very truly, yours,

RICHARD L. GAY, *Secretary.*

**REPRINT FROM THE CHICAGO TRIBUNE RELATIVE TO THE SHOE
BUSINESS AND THE REMOVAL OF DUTY FROM HIDES.**

WASHINGTON, D. C., *December 14, 1908.*

HON. S. E. PAYNE,

Chairman Committee on Ways and Means,

House of Representatives.

MY DEAR MR. CHAIRMAN: Milton J. Florsheim, president of the Florsheim Shoe Company, of Chicago, one of the largest manufacturers of shoes in the country, has sent me the inclosed clipping from the Chicago Tribune, December 8, entitled "Boots and shoes," and asks that it be printed in the hearings of the committee.

Very truly, yours,

H. S. BOUTELL.

[From Chicago Tribune, December 8, 1908.]

The United States exported during the last fiscal year over \$11,000,000 worth of boots and shoes. No other country came up to it. The lead which the American manufacturers have would be increased if the tariff revisers would give them free raw materials. The British manufacturers are worried over the outlook. British men and women bought last year nearly \$2,000,000 worth of American footwear, one reason being the better fit and the neater look. The British manufacturers say openly that their business would be ruined if the price of American boots and shoes were lowered, as it would be if the manufacturers in this country got free raw materials.

If Congress were to refuse to put hides on the free list, where all the American manufacturers of boots and shoes and other leather goods wish to have them, it would be fair to infer that Congress sympathized with the perturbed British manufacturers and wished to protect them against an invasion of American shoes. It is the duty of Congress to help the export trade. Chicago representatives should bear in mind the fact that Chicago sends some shoes to foreign markets and would send more but for tariff obstacles which those representatives should remove.

Free hides would mean much more than an opportunity for boot and shoe manufacturers to expand their foreign trade. It would enable them to sell cheaper shoes to American consumers or to offer them at the old price shoes that would wear longer. There is so much competition in the boot and shoe industry that the consumer would get, in one way or another, the benefit of any reduction in the cost of manufacture. Whether he got a \$3.50 shoe for \$3 or a \$3.50 shoe with 15 per cent more wear to it would make no practical difference. The main point is that the millions of Americans who buy the cheap grades of ready-made shoes would be directly and materially benefited if hides were on the free list.

HON. JOHN J. ESCH, M. C., FILES RESOLUTIONS OF THE MILWAUKEE (WIS.) BOOT AND SHOE MANUFACTURERS FAVORING REMOVAL OF DUTY FROM HIDES.

MILWAUKEE, WIS., *December 14, 1908.*

Hon. JOHN J. ESCH, M. C.,
Washington, D. C.

DEAR SIR: Inclosed you will please find copy of the resolutions adopted by the Milwaukee boot and shoe manufacturers. These resolutions explain themselves.

We would be glad if you would support the movement for free hides when it is brought before your consideration.

Will you not be kind enough to let me hear from you in response to this letter?

Yours, very truly,

W. N. FITZGERALD, *Chairman.*

MILWAUKEE, *November 17, 1908.*

Whereas a revision of the tariff is now being considered by the Ways and Means Committee of the National House of Representatives, adapted to present conditions of the industries of the United States; and

Whereas, the boot and shoe industry of this country, now representing an annual production of about \$400,000,000, has, since the passage of the Dingley bill in 1897, been suffering from an unjust and unnecessary tariff on hides of 15 per cent, which is a discrimination against the American manufacturer and in favor of the European manufacturer; and

Whereas it is an undisputed fact that this tariff works also to the detriment of the consumer of boots and shoes, especially to those that use boots and shoes made of the heavier leathers, and also deprives labor in our tanning industries of their legitimate amount of work on account of the scarcity of hides, the importation of which is largely checked through the present tariff: Be it therefore

Resolved, That the undersigned boot and shoe manufacturers of the city of Milwaukee and State of Wisconsin, in meeting assembled this 17th day of November, 1908, respectfully but most earnestly petition the Ways and Means Committee to give this matter due consideration, and recommend the removal of this tariff which is an injury and imposition on one of the leading industries of this country and pro-

fects nobody, as hide in their raw state are not as manufactured product, and cattle are sold by the farmer on hoof for beef for which he does not receive any advance in price no matter what the market price of hides may be; be it further

Resolved, That a copy of the above resolutions be submitted to the Wisconsin Representatives in Congress and to our United States Senators.

Harsh, Smith & Edmonds Shoe Company, per Geo. R. Harsh, president; V. Schoenecker Boot and Shoe Company, per John J. Gasper; Kalt-Zimmers Manufacturing Company, per Mich. Zimmer, secretary and treasurer; Mayer Boot and Shoe Company, per A. J. Mayer; A. H. Weinbrenner Company, per I. H. Gage; Bradley & Metcalf Company, per W. N. Fitzgerald; Beals & Torrey Shoe Company, per F. E. Beals, president; F. Rich Shoe Company, per A. W. Rich; Weyenberg Shoe Company, per F. L. Weyenberg.

HON. EDWIN DENBY, M. C., FILES LETTER OF PIERSON & HOUGH COMPANY, DETROIT, MICH., RELATIVE TO HIDES.

DETROIT, MICH., *December 15, 1908.*

HON. EDWIN DENBY, M. C.,
Washington, D. C.

DEAR SIR: Permit us to call your attention to the duty on hides of cattle, which is of no benefit to anyone but the few people who are engaged in the so-called packing business.

We beg you to use your influence toward the end that the present duty on hides shall be removed.

Yours, very truly,

PIERSON & HOUGH Co.

R. H. LONG, SOUTH FRAMINGHAM, MASS., FAVORS REDUCTION IN SHOE DUTY, WITH FREE HIDES.

SOUTH FRAMINGHAM, MASS., *December 16, 1908.*

HON. SERENO PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: It is reported that shoe manufacturers generally in this country are willing that the present tariff on imports of shoes to this country should be removed, and that shoes should be admitted free of duty, provided the import duty is removed from hides.

I believe that free hides would be a great help to the shoe-manufacturing industry, and would bring about the production of better shoes at a given price; but I beg to protest against the removal of all the present tariff on shoes. A reduction might safely be made on the import duty, leaving a duty of about 20 per cent ad valorem.

The labor cost on a medium-priced shoe that retails at about \$3 per pair and wholesales at about \$2 per pair is 50 to 60 cents, and a 20 per cent duty would be ample to cover the difference between the cost of labor abroad and in this country and allow a reasonable profit.

The methods of shoemaking have been changed during the last twenty years, and the different operations have been subdivided so that an unskilled man can in a short time learn one of the operations of shoemaking, with the result that shoes are made to a greater extent by unskilled labor than in former years.

If we have free trade in shoes, it would be quite possible for any American shoe manufacturer to establish a factory abroad and with a comparatively small number of foremen and skilled workmen use largely unskilled foreign labor in shoemaking and produce shoes cheaper than any manufacturer in this country, if the manufacturer paid the present standard of wages, and with this foreign competition our shoe manufacturers would be compelled to reduce wages or close their factories.

I have been in the shoe-manufacturing business about twenty-eight years and own and operate retail shoe stores in many cities of this country. One thousand or more shoe workers are employed in making shoes for my stores.

If shoes should be put on the free list I think it would be advisable, in order to meet foreign competition, to establish a factory abroad until wages should become the same per pair in this country and abroad.

Yours, truly,

R. H. LONG.

S. H. COWAN, FORT WORTH, TEX., WRITES RELATIVE TO CERTAIN STATEMENTS MADE BY H. E. MILES RELATIVE TO HIDES.

FORT WORTH, TEX., *December 16, 1908.*

HON. SERENO E. PAYNE, *Chairman,*
Washington, D. C.

MY DEAR SIR: I notice that in the examination of Mr. Miles before the committee on December 8, he makes several statements in regard to the matter of tariff on hides, and among others stated:

It is entirely uncertain whether the farmer gets any of this 90 cents or not. He may get some of it, and at times he may get all of it, but there is a strong probability that the packer gets all, for the making of prices, both on live stock and on meat, rests, as a matter of fact, with the packing trust. The packers and the growers are both thoroughly aroused and dissatisfied because of the restriction, unnecessary as they believe, of the foreign market, and many stock raisers and all the packers are willing to give up the tariff on hides if only they may have an enlarged market, developed through governmental negotiations.

The statements above made are approved by Judge Cowan, who appeared before you Saturday in the interest of the live-stock raisers of the United States.

If by his expression that I had approved these statements he meant that I had approved that part of it with respect to the tariff on hides, I very respectfully say that Mr. Miles is very much mistaken, as my statements before the committee show. Neither did I state that the fixing of the price of either hides or live stock or meats rested with the packer. I explained my position thoroughly to the commission on that subject to which I here refer. I suppose, however, that Mr. Miles meant that I approved his statements in regard to the packers and stock growers being dissatisfied by unnecessary restrictions in foreign markets on our dressed beef and live cattle. Mr. Miles asked me whether the raisers of cattle would not be better off to give up the duty on hides if they could get in consid-

eration thereof access to the markets of Europe for dressed beef and cattle, and I answered him in the affirmative, but I did not and do not mean by that to concede that the putting of hides on the free list would have any such result, my own opinion being that in the construction of the tariff on articles manufactured in continental countries of Europe the minimum should be low enough to permit favorable trade agreements and ought to embrace the extension of the trade in dressed beef and live cattle. The importance of it can not be overestimated, and the American-National Live Stock Association and the Cattle Raisers Association of Texas, which organizations I represent, will ask the privilege from this committee to present at a future date the detail of fact respecting our surplus meat production and our foreign trade with a view to laying before your committee the entire facts for its consideration, and with respect to the importance of so adjusting the tariff duties as to probably secure an extension of our foreign trade in meat products and in live cattle on the hoof through reciprocal trade agreements which this Government may make and which have a margin in the tariff sufficient to enable it to do so.

The annual convention of the American National Live Stock Association is to be held at Los Angeles on the 26th, 27th, and 28th of January, and at that time will provide the ways and means and committees to represent it to lay these matters before your honorable committee in case opportunity shall be afforded, and at that time to likewise present to your committee the expression of the combined live-stock interests of the country respecting the tariff on meat animals and the products of meat animals.

I would thank you for the information as to whether it is probable that during this present session of Congress your committee will be able to afford an opportunity to the stockmen to appear on some day which may be fixed and to present their views in these particulars.

I respectfully request that the correction with reference to Mr. Miles's statements which I have made in the foregoing letter be inserted in the record of your proceedings.

Very respectfully,

S. H. COWAN.

HON. FRANK M. NYE, M. C., SUBMITS LETTER OF LOYE SADDLERY COMPANY, MINNEAPOLIS, MINN., RELATIVE TO DUTIES ON HIDES AND CATTLE.

110-112 SECOND AVENUE NORTH,
Minneapolis, Minn., December 17, 1908.

HON. FRANK M. NYE, M. C.,
Washington, D. C.

DEAR SIR: You are doubtless aware that Congress in 1897 imposed a duty on hides and cattle, and we wish to advise that the harness business is seriously hampered by said duty, as it prohibits the importation of heavy hides which we use in our business, and the heavy-weight hides are becoming very scarce, and will continue much more so each succeeding year, owing to the encroachment of the small farm in place of the large range.

In view of these facts we would urgently request Congress at the next session to remove the present duty of 15 per cent upon hides

and cattle, because its operation, we feel, has worked a hardship in the way of increased raw material, of which our product is a part, and has rendered no appreciable advantage to anyone, and the laboring man and the farmer are obliged to pay the advance.

We hope you will use your influence in legislation to remove this 15 per cent duty, thereby favoring the masses of people as a whole. We are,

Very sincerely,

LOYE SADDLERY COMPANY,
By E. P. LOYE.

ALFRED R. URION, REPRESENTING ARMOUR & CO., OF CHICAGO, ILL., URGES RETENTION OF DUTY ON HIDES.

FRIDAY, *December 18, 1908.*

(The witness was duly sworn by the chairman.)

Mr. URION. My name is Alfred R. Urion. I represent Armour & Co., meat packers, of Chicago. I am here, in response to the request of the committee, to be interrogated concerning the duty on hides.

The CHAIRMAN. You may proceed with your statement.

Mr. URION. I have prepared no statement for the reason that after reading the proceedings I concluded that only those who asked something at the hands of the committee in the readjustment of the tariff filed briefs or prepared statements. Armour & Co. are asking nothing in the readjustment of this tariff. However, I shall be very glad, and I think it is my duty, to give any information I may be able to give on the subject.

The CHAIRMAN. Mr. Urion, what the committee desires to have information upon is the question of whether the duty on hides raises the price in this country owing to the limited importations compared with the amount produced in this country; and if it does not increase the price in this country, who gets the benefit of the tariff?

Mr. URION. Well, every steer has a hide on it, and that hide must have a value on the steer in the hands of the farmer as it has a value in the hands of the packer; and I think every farmer knows that. The average value of a hide, or the average of a hide, is about 6 per cent of the total of an animal. As you know, the edible parts of a steer are only about 57 per cent. The other 43 per cent is made up of the hide, the tallow, and what we classify as offal. Of the 43 per cent, the hide is the most valuable part; and, as I say, about 6 per cent. The average weight of a hide is from 60 to 70 pounds, green. I suppose a fair average is, perhaps, 65 pounds; and that hide is worth to the farmer, approximately, on the present market, \$6.50 to \$7. Of course that varies with the weight and size of the animal.

The CHAIRMAN. Packers buy the cattle on the hoof in large quantities and slaughter them and lay aside the hides. They do not put them on the market every day when they buy the cattle, but they hold them for a better market?

Mr. URION. Well, it takes about thirty days to prepare a hide in the salting and curing of it; and hides, of course, are not perishable, while most of the other part of the animal is perishable. The hides are sold according to the market demand, and it fluctuates, of course.

A year ago hides were down as low as 8 cents. To-day they are up as high as 14 or 15 cents. At that time the cellars of the packers were overflowing; there were no buyers, and, of course, as the demand increased the supply has decreased.

The CHAIRMAN. At that time the duty cut no figure whatever in the price of hides, when the cellars were full?

Mr. URION. Well, but the duty cuts a figure, if it cuts it at all, at the time of the purchase. The slaughtering of cattle and the handling of the product that comes from a steer is of course fluctuating. It takes a week or ten days to get the edible part of that on the market. We may buy to-day on the Chicago market, as an example, and it will be probably ten days, certainly a week, before that beef, the edible part, gets to the market. The parts manufactured into sausages and other products are more likely to be a month. When the buyer goes on the market to buy these cattle he is in competition with from 150 to 200 buyers in the Chicago yards. He buys them, expecting of course to be able, so far as his judgment goes in judging the markets, to make a profit. It often happens that the beef is sold at a loss, and if the by-products make no profit there is a total loss on the purchase, which often happens.

The CHAIRMAN. Now, these buyers do not buy direct from the farmer?

Mr. URION. They buy through commission merchants, to whom the raisers, the producers, ship their cattle for sale.

The CHAIRMAN. They ship to the commission merchants and the commission merchants sell to your buyers?

Mr. URION. Sells to any or all buyers there.

The CHAIRMAN. One buyer as well as another?

Mr. URION. Yes.

The CHAIRMAN. You say that there are 150 and more buyers. How many different concerns do they represent?

Mr. URION. Well I can give a concrete example, perhaps, which would be best. The Daily Live Stock Journal of last Tuesday, Tuesday of this week, showed 5,500 cattle received on the Chicago market. The shipments on that day were about 2,100, as near as I can make out.

Mr. COCKRAN. Of live cattle?

Mr. URION. Order buyers, buyers who are on the market and buy to fill orders in the East or elsewhere; and the buyers on that market that day were Armour; Swift; Morris; Anglo-American; Hammond, Boore & Co.; S. & S. (that is, Schwarzchild & Sulzberger); Boyd & Lunham; Roberts & Oak; the Western Packing Company; butchers and shippers. I supposed that this gave the total purchase of each packer of cattle. I find, however, that it is not in this issue, although the hog purchasers are there.

Mr. COCKRAN. When you say "butchers and shippers" are you speaking of a single concern, or of butchers and shippers outside of your own firm?

Mr. URION. No; they are referred to as packers, outside of such as Armour & Co.

Mr. COCKRAN. And not as one concern?

Mr. URION. No.

Mr. COCKRAN. The miscellaneous butchers and shippers?

Mr. URION. Yes, sir. The average of these buyers outside of Chicago, what we call "shippers," is about 40 per cent of the total run. The other 60 per cent—these are round figures—are made up of all the buyers on the Chicago market; and there are many slaughterers in Chicago outside of Armour.

The CHAIRMAN. They are all over the country.

Mr. URION. It may be of interest to this committee to know that in the State of Illinois, outside of Chicago, 360,000 cattle are slaughtered annually.

The CHAIRMAN. It is stated that about 13,000,000 cattle are slaughtered annually, 5,000,000 by the packers. Do you think that is correct?

Mr. URION. No; that was correct according to the last statistics, but those statistics are two years old. It is my understanding and my best information that there are in the neighborhood, or was for the year ending June 30 last, about 17,000,000, of which the packers—and when I say packers I refer to the largest packers of Chicago—killed about a little over 7,000,000.

The CHAIRMAN. You think that the appetite of the people has been increased in the last two years, then, to the extent of 4,000,000 cattle, in spite of the hard times?

Mr. URION. The consumption of beef is increasing all the time. We are an extravagant people in our eating; the American people want the finest cuts; and the cheaper cuts, which is the barrel beef, and matters of that sort, are exported, where it can be.

But, as I say, when we buy the cattle we never know when we will be able to sell the beef. It is largely a matter of business judgment.

The CHAIRMAN. When a farmer has an animal ready for slaughter, properly fitted for beef, he must put it on the market or lose money; that is, the longer he keeps it the worse he is off.

Mr. URION. He is the worse off to the extent of the feed he puts into it after it is ready for the market.

The CHAIRMAN. He is obliged to sell.

Mr. URION. The farmer of the present day, with the telephones and the post-office service of the country, is able to get his daily papers and his stock journals, and he keeps pretty well informed on the market; and you can generally figure that they ship at the time they think they are going to get the best market.

The CHAIRMAN. When the price is up, every farmer gets that back; every farmer ships what cattle he has, does he not?

Mr. URION. Every farmer, like every other man, is trying to sell his product for as much as he can get for it.

The CHAIRMAN. Exactly, and when every farmer does that it overstocks the market, and the price goes down.

Mr. URION. That sometimes happens.

The CHAIRMAN. Does it not always happen?

Mr. URION. Not always, because it depends largely on the demand.

The CHAIRMAN. You have known instances where it did happen?

Mr. URION. Certainly.

The CHAIRMAN. Of course the packers are not in the business for their health; they buy when they can buy the cheapest.

Mr. URION. Certainly; we expect to make a profit on our business if we can; but as for the profit on any particular part of an animal, I do not believe it is possible to figure it out.

The CHAIRMAN. I do not believe it is either. Now, the packer being in business in that way, if there is any part of the animal, such as the hide, that he can preserve without cost, he holds it for the highest price, does he not?

Mr. URION. He wants to get as much for the hide as possible.

The CHAIRMAN. And that results in his holding it for the highest price?

Mr. URION. Hides run into money very fast.

Mr. COCKRAN. Please state what you mean by that.

Mr. URION. I mean, when hides are stored in the cellar, you are putting a lot of money into them which it costs to carry them; and hides do not fluctuate very much.

The CHAIRMAN. I do not take it that these packers are very much cramped for sufficient money to run their business, even in the keeping of hides.

Mr. URION. Well, I can only speak for Armour & Co.—I know nothing about the others, and have no authority to speak for them—but I know we find it necessary to borrow money to run the business with.

The CHAIRMAN. I do not doubt that, and the banks are glad to loan it to you.

Mr. URION. I think our credit is good.

The CHAIRMAN. So that they are able to hold their hides for better markets.

Mr. GAINES. It was stated a year or two ago that Swift & Co.'s notes were all over the country, the country banks were trying to place them; so it seems that they do, if there is any truth in that report, borrow a good deal of money.

The CHAIRMAN. Mr. Urion does not want to go into their affairs. He is speaking of Armour & Co., as I understand it.

Mr. URION. I know nothing about Swift & Co.'s affairs.

Mr. COCKRAN. I suppose that you get a great deal of paper in the course of your business, or do you deal for cash only in the disposition of the product?

Mr. URION. Every purchase made on the market is an auction purchase and spot cash.

Mr. COCKRAN. What is that?

Mr. URION. Live stock is sold, I might say, at auction, because one is bidding against the other, and it is cash.

Mr. COCKRAN. I understand that; but I was asking, however, by way of explanation of Mr. Gaines's question, whether a great deal of your product is not disposed of on time and whether you do not take notes when you sell. Will you kindly explain just the condition?

Mr. URION. It is true that a large part of the packers' product is sold on time—thirty, sixty, and ninety days. Fertilizers are sold on the year, sometimes two years.

Mr. COCKRAN. When you dispose of these products on time, do you simply make a book entry or take a note?

Mr. URION. As a rule, they are open accounts.

Mr. COCKRAN. By that what do you mean?

Mr. URION. They are on the books; no notes for them.

Mr. COCKRAN. Where you give extended credit, of course you take notes?

Mr. URION. Yes; fertilizer, for instance—upon that we take notes.

Mr. COCKRAN. How do you dispose of it in general; what is the modus by which you get your product on the market? Do you sell direct to the butchers, or is there any agency between the packer and the butcher who sells to such people as the chairman and myself?

Mr. URION. Well, take our products. Armour & Co. distribute in various parts of the country through their branch houses, and sell to butchers.

Mr. COCKRAN. You do not deal directly through your branch houses with the public?

Mr. URION. No, sir; we do no retailing whatever.

Mr. COCKRAN. To those butchers to whom you dispose of your product, what terms do you make?

Mr. URION. It depends upon the kind of product they buy.

Mr. COCKRAN. I am referring to food supply; meat, for instance, perishable meat.

Mr. URION. Fresh meat is sold payable weekly. Provisions are sold payable monthly. And as to other products—lard, I think, is sold on thirty days. The products vary. Only the fresh meats are sold on short time, one week.

Mr. COCKRAN. So that this capital engaged in packing is largely tied up by the credits you extend, and of course that necessitates borrowing money against those credits through the banks?

Mr. URION. That is a part of the business; yes.

Mr. COCKRAN. There was a good deal of testimony here concerning the effect of this duty on hides so far as prices are concerned, and it was stated by some that the cost of hides was almost a negligible quantity in determining the cost of the steer; that the packer purchased with reference to the demand for the meat of the steer.

Mr. URION. That is, the hide was thrown in?

Mr. COCKRAN. Not exactly thrown in, but nobody bought for the sake of the hide. The hide was simply a resulting incident, and that the packer purchased with reference to the demand for food.

Mr. URION. I think I explained before you came into the room, Mr. Cockran, that only 57 per cent of an animal is meat-food product.

Mr. COCKRAN. Meat food, but in various forms?

Mr. URION. I referred to it in various forms. The 43 per cent is made up of hides, tallow, and offal.

Mr. COCKRAN. The offal is disposed of, is it not?

Mr. URION. Certainly; our business has been built up on small economies. The waste which in the old-time way of slaughtering went into the streams and into the gutters is taken care of.

Mr. COCKRAN. That is the great contribution of the packer to present conditions, and a very valuable one. But for the enlightenment of the committee, I think it is important, if we can ascertain it, to know what it is that determines the packer in going into the market. Does the necessity for supplying hides cut any figure, in your estimation, for instance, in the purchases made?

Mr. URION. I do not think it is possible to take any one part of the animal and say that the demand is for that particular part, and that the buying of the steer was for that particular thing. It is purchased for all there is in it—hide, hoof, horns, and all.

Mr. COCKRAN. But surely there is some determining factor. If I want to build a house, the necessity for the house would be the main

thing that moved me, though I would afterwards be moved by various other matters in the detail of arrangement; so if I go out and buy a steer, there must be some determining factor that moves me. What demand is it?

Mr. URION. Perhaps you are trying to get at the value of the hide, or whether it is considered?

Mr. COCKRAN. It is not that. We will have to do that by considering a variety of circumstances. What I want to get from you is whether these gentlemen are correct in stating that when you go out to purchase a steer, or cattle, in the markets, you are moved by a desire to meet the demand for food products mainly, and that the hide is practically a negligible quantity in determining the demand for the steer—not the price, but the demand—on the part of the packers.

Mr. URION. The demand for beef primarily is a reason, but when you consider that only 57 per cent of that is meat—in other words, out of a thousand-pound steer you get only approximately 570 pounds of meat—but you buy the other things. I can best illustrate that, perhaps, by saying this: All the cattle purchased at the various centers are purchased under the inspection of the Agricultural Department. They have two examinations; one is the ante-mortem examination, which is made in the yard. A very large percentage, due to tuberculosis and other things which you are familiar with, tuberculosis particularly, is condemned, and they are killed by a slaughterer, who is authorized by the Agricultural Department to kill under the supervision of that department. Of course none of that meat is edible; it is destroyed. Nobody can buy it. The commission man puts those cattle in the hands of the Government or into the hands of the authorized slaughterer for slaughter, and the farmer who sends in that animal gets his return for the hide and the offal, because that is all there is in it. He knows he is getting value for the things that are only purchasable; and so it is with the hide and offal and with all parts of the animal. The farmer knows that he is selling the entire animal and that only part is used for meat.

Mr. COCKRAN. I understand all that, but every part of the animal excepting the hide is disposed of in your own establishment; you make everything practically out of the offal into which the offal can be converted. The hide is a different element, however, as I understand it. It is not manufactured by yourselves, but is disposed of subsequently to an entirely independent industry. Am I correct in that?

Mr. URION. It is not entirely a raw material any more than the other of the waste—the 43 per cent. The hide is taken off, cured and salted, packed, and so on, and put into shape to go to the leather manufacturer, who in turn gets it one degree beyond.

Mr. COCKRAN. All of that I understand, but I want to make a distinction—if it really exists—a distinction between the hide, which you do not develop and which is no part of your own industry at all, and the other elements of the steer (both the meat elements and the other), all of which, as I understand it, are developed, manufactured, and completed in your own establishment and distributed through your agencies to consumers. Am I correct in that?

Mr. URION. Very largely so.

Mr. COCKRAN. Then the hide is the only element of the steer, so far as you yourselves are concerned, that does not form a part of your product—your finished product?

Mr. URION. Not a finished product, no; not to the last degree of finish.

Mr. COCKRAN. That is what these gentlemen state. All the other elements of the steer are manufactured, completed, made ready for consumption in your own establishment by your own agencies, and distributed through your own houses; but the hide is an independent element, not utilized by yourselves in any manufacture, and kept only until a favorable opportunity comes, when you dispose of it to other manufacturers whose business it is to develop it and turn it into a finished article. That is the distinction made. Is it correct?

Mr. URION. Very largely true; yes, sir.

Mr. UNDERWOOD. You stated a moment ago that the amount of cattle killed was 17,000,000, and that the amount killed by the packers was 7,000,000. I want to know, with respect to all of these cattle that are killed, whether their skins go into hides?

Mr. URION. Certainly.

Mr. UNDERWOOD. They go on the market as hides, and practically there is no material loss in the number?

Mr. URION. That is, only a small number. Those are what are known as "packers' hides." There are a large number of hides known as "country hides" in addition to the packers' hides.

Mr. UNDERWOOD. The 17,000,000 cattle include the country hides?

Mr. URION. Yes, sir.

Mr. UNDERWOOD. They do include them?

Mr. URION. Yes, sir.

Mr. UNDERWOOD. All the packers kill go into hides. Do all the country cattle killed go into hides?

Mr. URION. Certainly; if a steer dies on the place, the first thing a farmer does is to skin it, because the hide has a value, and he knows it.

Mr. UNDERWOOD. Do you packers purchase those hides?

Mr. URION. No, sir; and I am glad to have an opportunity to correct a misstatement that has been made to the committee, viz, that the packers are engaged through their agencies in the country in buying hides. I want to say for Armour & Co. that we buy no hides whatever, and we sell no hides excepting our own take-off; the hides which we strip from the cattle which we purchase; and I think that is true as to the other packers.

Mr. UNDERWOOD. That covers the same business conditions governing your competitors as well?

Mr. URION. I think that is so.

Mr. UNDERWOOD. Where do the country hides go?

Mr. URION. They are sold on the market just as the packers' hides. The distinction between the packers' hides and the country hides is that the packer's hide is regarded as a superior hide, and it commands a higher price on the market, the reason for that being the care with which they are removed from the animal, and the care with which they are prepared for the market. In our establishment the skimmers of cattle are paid 50 cents an hour—\$5 a day on the ten-hour basis—and the hides are immediately washed off, the manure removed from the skin, put in order, and immediately sorted and taken care of—

dressed; whereas the country hide is taken off by an unskilled man very often, is full of cuts, and every time there is a cut in a hide it depreciates its value. He takes it off, throws it aside to be cured at a more convenient time, or hangs it on the fence to dry. In the summer he puts it away until the cool of the day; and they do not take the salt so well—they are not as good hides.

Mr. UNDERWOOD. What is the price of packers' hides now?

Mr. URION. They run—you understand there are many different kinds of hides even in the packers' hides.

Mr. UNDERWOOD. Yes.

Mr. URION. Packers' hides are now ranging from 12 to 15 cents. A year ago they were selling as low as 8 cents and nobody to buy them, no demand for them.

Mr. UNDERWOOD. Is that price uniform with all of the packers?

Mr. URION. Well, the hide market is established by the hide buyers; I don't know. These are our prices.

Mr. UNDERWOOD. That is what I wanted to get at, whether there was any arrangement between the great packing interests in this country as to the sale of hides, or do you go into the market independently of your competitors?

Mr. URION. We go into the market independent of competitors. The buyer of the hide is like the buyer of everything else—he shops around to get something to suit him, and when he finds that, he buys it as cheap as he can, while the seller wants to get as much for it as possible.

Mr. UNDERWOOD. I understand that. There is no arrangement for fixing the price of hides by the packers?

Mr. URION. No, sir.

Mr. UNDERWOOD. Where do you find your market for these hides; where are they disposed of?

Mr. URION. They are all disposed of in this country. For hides there is a home market for the home producer.

Mr. UNDERWOOD. I understand, but what I want to know is, if you can give me the information, whether the Chicago hides, for instance, are shipped east or west.

Mr. URION. I can answer that, I think.

Mr. UNDERWOOD. North or south, and proportionately where they go?

Mr. URION. I can answer that. To Philadelphia; Milwaukee; Newark, N. J.; Wilmington, Del.; Chicago; Peabody, Mass.; and Camden, N. J., they being the largest tanning centers.

Mr. UNDERWOOD. Does a large portion of your hides go to St. Louis?

Mr. URION. I do not recall that there are any large tanners in St. Louis. It is possible that some of them do. They go wherever there is a tanner, if we are able to sell him.

Mr. UNDERWOOD. Most of your markets are east of you for hides?

Mr. URION. Well, there are some large tanneries in Wisconsin.

Mr. UNDERWOOD. What are the freight rates necessary to deliver those hides?

Mr. URION. I can not tell you; I don't know. I am not prepared to answer that. That is a shipping proposition which I know nothing about.

Mr. UNDERWOOD. What percentage of the packers' hides come from the western market?

Mr. URION. Well, I suppose it is the percentage of the packers' kill in the West. I have a list here—I have been unable, from any of the government departments, to ascertain the exact number of packers or slaughterers of cattle and hogs. I called on the National Provisioner, which is an authority on cattle and meat matters, and they furnished me with a list of some 1,400 packers and slaughterers of cattle and hogs in this country, and they are the ones who produce the packers' hides.

Mr. UNDERWOOD. I want to get your judgment. If you can not give us the accurate figures, an estimate, as to where these hides are produced, whether in the East or the West; in other words, what is the percentage in the West?

Mr. URION. It follows that if the large packers kill 36 or 37 per cent of the cattle killed that they produce 36 or 37 per cent of the hides.

Mr. UNDERWOOD. That is in the West, isn't it?

Mr. URION. Most of the large killers are in the West, although there are large killers in New York, Philadelphia, Buffalo, and at other points.

Mr. UNDERWOOD. I suppose the distribution of the country hide is largely along the lines of population?

Mr. URION. Farm population; yes, sir.

Mr. UNDERWOOD. Now, the competition where you meet the foreign hide is in the New York market, is it not; the place of competition?

Mr. URION. I understand that all of these points which I have enumerated buy more or less of foreign hides. I do not know how many; I do not know much about the hide or the leather business; in fact, nothing about the leather business.

Mr. UNDERWOOD. Have you any information as to the point where the domestic hide comes in competition with the imported hide?

Mr. URION. I suppose wherever there is a buyer of the imported hides; at all of these tanning centers, I should say.

Mr. UNDERWOOD. Do you know what the advantage is in the domestic freight rate, either way, between the foreign hide and the domestic hide in reaching the point of consumption?

Mr. URION. I know nothing about that. That is a railroad and a shipping proposition.

Mr. UNDERWOOD. Do you know what the freight rate, the ocean rate, upon foreign hides is, landed in New York and at other ports of entry?

Mr. URION. I do not.

Mr. UNDERWOOD. Do you know whether, if hides were placed on the free list, it would in any way affect the price of domestic hides?

Mr. URION. I think it would open—in the first place, in my judgment, and my judgment is no better than anyone else's—it would destroy the home consumption, the home production.

Mr. UNDERWOOD. Have you considered the question as to whether the foreign freight rate and the domestic freight rate to the markets of consumption on the foreign hide would give any advantage in that market to the domestic hide?

Mr. URION. I do not think it would. I was looking for a table that I had. I cabled London on Monday to get the prices of hides there.

Mr. CRUMPACKER. You answered Mr. Underwood that the taking of the small duty, 15 per cent, off hides, would amount, according to your own statement, to only about 90 cents on a hide, or a steer, but that it would destroy the domestic production. What do you mean by that; that they would stop raising cattle?

Mr. URION. Not at all.

Mr. CRUMPACKER. Quit skinning cattle?

Mr. URION. Not at all.

Mr. CRUMPACKER. Or quit saving the skins?

Mr. URION. Not at all. But it would destroy the home market: it would open the home market to that extent.

Mr. CRUMPACKER. If it had any effect, it would reduce the price of hides, say, 90 cents on an average on each green hide?

Mr. URION. That would mean 90 cents of the farmers.

Mr. CRUMPACKER. Do you think the farmers get all of that?

Mr. URION. Yes, sir. He would be the first one to call for it if he did not get it.

Mr. CRUMPACKER. Is the foreign price here plus the tariff on hides?

Mr. URION. No, sir; that is what I was looking for. I cabled to London to get the prices of hides there. The prices there are very much lower, even taking into consideration the 15 per cent duty. I will say that for the market here it would open it to the South American hide, and I think it would reduce the price of hides.

Mr. CRUMPACKER. Do you think the tariff adds anything to the price of hides here?

Mr. URION. I do.

Mr. CRUMPACKER. It can not add more than 90 cents on an average?

Mr. URION. Ninety cents is the low average. It is 90 cents to \$1.20, taking a thousand-pound steer.

Mr. CRUMPACKER. That is, for the kind of animals that are slaughtered by the big packers. The hides that are taken from the animals throughout the country—some eleven millions, I believe—average very much below that?

Mr. URION. No; I think not. I have heard a good deal about 25-pound hides. Perhaps you are thinking that the country hides are smaller than the packers' hides. They average just the same. I do not know what a 25-pound steer hide is.

Mr. CRUMPACKER. What I wanted to have you make clear is, how the removal of this tariff would destroy the production of hides in this country when it only amounts to about 90 cents.

Mr. URION. I do not think it would destroy the production. What I meant to say was that it would open the home market to the South American hides, and the tendency would be—

Mr. CRUMPACKER. But it is open now. We buy large quantities of hides from South America. It would simply reduce somebody's profit about an average of \$1 on a steer, would it not?

Mr. URION. Certainly; whenever you destroy your home market you lower the price.

Mr. UNDERWOOD. Will you find that memoranda that you were looking for, and give us the London prices?

Mr. URION. I am afraid I haven't got that, Mr. Underwood, although I think it is at the hotel, and I will be glad to bring it to the committee.

Mr. UNDERWOOD. Do you recall what it was?

Mr. URION. No; I did not attempt to carry the figures in my head.

Mr. UNDERWOOD. Foreign hides, of necessity, will be cheaper in London under a free-trade condition than in this country, would they not, on account of the freight conditions? There is a constant passage of vessels between England and South America, while there are very few vessels that are trading between this country and South America. If we bought our hides from England, we would not only have the freight from South America to pay, but the freight across the Atlantic to this country, and therefore is it not true that even under free-trade conditions foreign hides would be cheaper in Great Britain than in this country?

Mr. URION. You are getting into the realms now that I know nothing about. I have had about twenty-one years' experience in the packing business—more than half my life—and I do not know much else.

Mr. UNDERWOOD. That is one of the questions that we would like—

Mr. URION. I think, however, your statement, that they go from South America to England and then are shipped over here, would be like "going around Robin Hood's barn" to get the South American hides to this country.

Mr. UNDERWOOD. Of course the passage of the trading vessels would regulate that, and where there are very few vessels moving in commerce between ports of this country and South America there are a great many moving between England and South America. Necessarily it would produce a result in ocean freight rates which would be to the advantage of the English purchaser and enable him to purchase hides very much cheaper than they could be laid down in this country.

Mr. URION. I haven't any opinion upon that; I do not know anything about it.

Mr. UNDERWOOD. You can not express an opinion as to the domestic freight rates or foreign freight rates that enter into this subject?

Mr. URION. No, sir; that is a shipping matter with which I am not familiar.

Mr. COCKRAN. The fact remains that entirely independent of the cost of hides you go on and buy cattle just the same to meet the meat supply?

Mr. URION. Certainly.

Mr. COCKRAN. And no matter what might be the condition of the leather market, you would have about the same quantity of hides and you would dispose of them?

Mr. URION. Yes; but I think the price would probably be lower, because the more hides we get from other countries the less the demand and the lower the price.

The CHAIRMAN. You manufacture bristles, do you not; you put them up?

Mr. URION. Only in the rough. We do not sort and pack bristles, for the reason that the marketable bristles are white bristles.

The CHAIRMAN. A man before the committee the other day advocated the reduction of the duty on bristles of the common sort and an increase of duty on the bristles of the finer sort, saying that the duty

now—so much a pound—was not a reasonable one. Do we produce any bristles here in competition with the long bristles that come from northern Russia?

Mr. URION. The heavy hogs, I think, produce a stiffer bristle, which comes in a sort of competition, but we do not know much about the bristle trade. We simply take them off the hogs and sell them in the rough. We do not pack and sort and sell them.

The CHAIRMAN. Then you do not know anything about the work?

Mr. URION. No, sir.

The CHAIRMAN. We produce a good enough bristle here to make a paint brush of the fine quality, do we not?

Mr. URION. I am afraid that I do not know.

Mr. CRUMPACKER. Do you slaughter any old hogs?

Mr. URION. When I said "old hogs"—yes; the heavy hogs.

Mr. CRUMPACKER. The bulk of your hogs are less than a year old, are they not?

Mr. URION. As a rule; yes.

Mr. CRUMPACKER. And hogs of that age do not produce the long and strong bristles?

Mr. URION. I think not; but I don't know.

Mr. FORDNEY. I did not hear all of your statement, Mr. Urion, and I want to ask you what an average hide off a steer will weigh—say, the 3-year-old or more. Have you stated that?

Mr. URION. From 60 to 70 pounds.

Mr. FORDNEY. What is it worth in the market generally—that is, in the last ten years?

Mr. URION. A 70-pound hide would be about \$7 to \$7.50.

Mr. FORDNEY. So, when you are speaking of 90 cents to \$1.20, that is the duty on hides?

Mr. GAINES. What is the same hide worth dry?

Mr. URION. It shrinks about 16 per cent.

Mr. GAINES. And its value would be how much more than the green hide?

Mr. URION. I do not know anything about the dry hide. We handle the green hide. I do not profess to know the hide business, excepting as a part of the packing business.

Mr. GAINES. The packers' hides are tanned without having to get dry?

Mr. URION. I do not know the process of tanning.

Mr. GAINES. But do you know whether your hides are kept until they are dry and what their value would then be, just as well as you know their value when green, unless they are not kept until dry?

Mr. URION. That is the case; they are not kept until dry.

Mr. GAINES. I asked you that question.

Mr. URION. I did not understand you.

Mr. GAINES. It was stated before this committee, if I recollect aright, that the price of hides and the price of cattle did not correspond; that is to say, that when cattle were highest, generally hides were lowest, and they stated that before the committee as a fact tending to show that the price of the hide was not taken into consideration in the price given to the farmer for the steer. What have you to say about the fact as to the hides' failure to correspond with the high prices and as to the inference drawn from that?

Mr. URION. I think I can answer that by saying that during 1907 the price of cattle averaged very high, and I have already said to the committee that the price of the hide got down to 8 cents. That is the opposite to what has been stated to the committee. It is true in a measure that the price of cattle does not follow the price of the hide, or the hide follow the price of the cattle; neither does the sale of fresh beef follow the price of the cattle, excepting in a general way. We buy to-day, and put on the market next week, ten days hence; and weather like this has a great effect upon the beef, and the stuff that is on the market here in Washington to-day was probably bought on the market a week or ten days ago. This is a very sticky day, very little demand for meat, and butchers do not like to handle it. There is less meat sold, it is harder to keep, and the price goes down, because you can not keep fresh beef very long in the coolers. The probabilities are that the beef being sold in Washington to-day is sold for a good deal less than it was figured we would get for the beef at the time we purchased the cattle.

Mr. GAINES. Is there any correspondence between the range of price of beef compared with the range of price of the hide?

Mr. URION. They could hardly be compared, because beef is a perishable product, and hides are not.

Mr. GAINES. Do you mean by that to say that in your opinion no inference is to be drawn, in considering this inquiry, from the failure of correspondence between beef and hides?

Mr. URION. That is what I mean to say.

Mr. GAINES. It has been stated here as one of the principal reasons for the reduction of duty on hides, that the packers are drawn into the tanning business so extensively that the tanners are compelled to buy their raw material from their competitors.

Mr. URION. I read that statement.

Mr. GAINES. That is one of the most serious complaints. What have you to say about that? And, it has also been stated that the process referred to has gone on to such an extent that the tanners are largely working now for the packers, tanning for the packers by contract, because they can not get hides to tan on their own account; and that at the present rate of progress the tanners will practically all be, pretty soon, mere servants of packers, working for them, rather than doing an independent tanning business.

Mr. URION. I read that statement, and it struck me as somewhat inconsistent, the statement being that the packers not only control the cattle market but they also control the tanning business; that we want a tariff—so it is charged—because we control with our left hand the cattle business, and they say that we control the tanning business, and the tanners want free hides. Now, if we are controlling the tanning business, I should think that we would want free hides. It does not make any difference, I say, to Armour & Co., however, whether the duty on hides is retained, whether it is raised, lowered, or wiped out. Now, to get to your question direct. Last year hides could not be sold at even 8 cents. They had to be moved, for every day's kill added more hides, and the packers did not sit back—Armour & Co. did not sit back, Micawber like, and "wait for something to turn up." They did make some contracts for the tanning of hides. I think there were three of them, one in New England, one in Delaware, and one in Pennsylvania.

Mr. COCKRAN. Do you say you make contracts to dispose of all your hides to three different persons?

Mr. URION. No, sir; with three different tanners, some of the hides which we had in cellars, and which we could not sell at 8 cents a pound. I believe I saw a statement that the prices had advanced in hides some 40 per cent in the last year. They are taking the low price, 8 or 9 cents a pound, when the tanners could have bought the hides and stored them, and they probably would not have been so high to-day.

Mr. DALZELL. You want us to understand that that was an exceptional condition of things?

Mr. URION. It was exceptional; there was no demand. It is a question of demand. But I had not quite finished. In addition to that, Mr. Armour is a stockholder in a tannery at Sheboygan, Wis. He is also a holder of some of the common stock of the United States Leather Company. I want to be perfectly frank and have the committee understand the matter. It is charged that he dominates the control of the United States Leather Company. Such is not the fact. He is not an officer or director, has no business with them other than being a stockholder, and they being purchasers of hides on the market.

Mr. GAINES. Having told us of his interest in the United States Leather Company, will you tell us how great that interest is?

Mr. URION. I can answer generally by saying that, taken as a whole, his holding of common stock as against the whole is very small, in the minority, and there is no controlling interest, not even a large minority interest.

Mr. GAINES. You have said that Armour & Co. did not care whether the tariff was raised or lowered or taken off.

Mr. URION. I mean by that from their own standpoint—their own standpoint, their selfish standpoint, which seems to be largely a governing—

Mr. GAINES. It would not affect him financially?

Mr. URION. I started to say that I thought it was largely a governing influence in the tariff question. Some people want the duty on one thing, and on the same thing other people do not want the duty, so they are each governed by selfish interests—selfish is not a good word to use, but by self-interest in their own business. Then I say “our” business, it makes no difference whether there is a tariff, the present tariff, a higher tariff, a lower tariff, or no tariff at all.

Mr. GAINES. Why do you reach the conclusion; what is the consideration that, in your opinion, would equalize the situation to you if the tariff were taken off of hides?

Mr. URION. It might reduce the price of cattle just 15 per cent. We would pay for them less 15 per cent if we could buy them at that price.

Mr. CRUMPACKER. Reduce the price of cattle 15 per cent, or 15 per cent on the hides?

Mr. URION. On that part of the cattle which is the hide.

Mr. CRUMPACKER. I wondered if it would reduce the price of the tire cattle 15 per cent. I did not expect that it would be quite that.

Mr. URION. We are talking about hides; not cattle.

The CHAIRMAN. On 7,000,000 cattle that are slaughtered by the packing interests, how many of them produce hides that come in competition with the imported hide?

Mr. URION. It is my information that the South American hides compare very favorably with what are known as "Texans" and "Colorados," that is, grass-fed cattle—and they are cattle that weigh 1,100, 1,200, and 1,300 pounds. My information is that they raise good cattle in South America.

The CHAIRMAN. What proportion of the 7,000,000 product are hides similar to those that are imported?

Mr. URION. I am afraid that I haven't the data to answer that question, Mr. Chairman, but a very large proportion of the cattle coming into the western packing centers come from Texas, New Mexico, Colorado, and the grass States; I should say quite a large proportion of them. How much, I am not able to tell you.

The CHAIRMAN. What do you mean by that—a majority of them, or less than that?

Mr. URION. I should say a majority of them.

The CHAIRMAN. Now, I want to ask you whether the price of hides, since this tariff, has not gone up and down, and to an observing man, has it not been impossible to trace any 15 per cent of increase in the value of the hides?

Mr. URION. I think hides have increased, while there have been fluctuations, of course.

The CHAIRMAN. They have increased 50 per cent; yes.

Mr. URION. I think they have made some increase; likewise the price of cattle has increased considerably.

The CHAIRMAN. Exactly; there has been an increase of 50 per cent in these markets and in the markets of the world. But is it not impossible for any man to trace the effect of this tariff on hides in this country by the markets?

Mr. URION. I do not believe I can answer that question.

The CHAIRMAN. No; I do not believe you can. I do not think you can say it is possible for a man to trace it.

Now, isn't it a fact that, if they have increased the price of hides, the packers being able to store their hides in stock gives them an opportunity of taking advantage of the market, and of a higher market than they would have without the duty, if the duty increases the price?

Mr. URION. That might be so if there was no limit to the amount of hides which the packer might store, but the limit is usually reached in a very short time. I have given the reason for having some of the hides tanned last year. We can only store a few, a comparatively few, hides.

The CHAIRMAN. During that 8-cent period, it was impossible for a farmer or anybody else to get the benefit out of this duty, was it not?

Mr. URION. The price of cattle during that time was fairly high.

The CHAIRMAN. Notwithstanding the lowering of the price of hides?

Mr. URION. Yes, sir; and the chances are that those hides were taken off of high-priced cattle.

The CHAIRMAN. Then the price of cattle was high notwithstanding the low price on hides. The by-product, then, of the hide did not have a great influence on the price of cattle in the market, did it?

Mr. URION. Why, if there was no demand for the by-product, or the by-product was reduced in value, of course it had an influence on the price which we wanted to pay for the cattle.

The CHAIRMAN. Notwithstanding the price of cattle went up and the hide remained low.

Mr. URION. Yes; because the demand was greater for the cattle than the supply.

The CHAIRMAN. Now, if it is true, as you stated a moment ago, that if there was an increase in the value of the hide the packers could take advantage of it at the time the hides were high in the market because of being able to hold their product, and the packers should condescend to take an enlightened self-interest in this country, that interest would be in favor of a duty, would it not?

Mr. URION. No; I do not think so.

The CHAIRMAN. Not even if they could get a little advantage out of it?

Mr. URION. I do not think it gives us any advantage.

The CHAIRMAN. If they can get a higher price, as you said a while ago, by holding their hides until the price should be higher in the market, and the tendency of the tariff was to increase the price and make it higher in the market, it seems to me it would not be a long step to reach the conclusion that the tariff did give them a little higher price on the hides and give them better chances to take advantage of the market. I think you said so.

Mr. URION. If I did, I did not mean to be understood that way.

Mr. FORDNEY. What proportion of the value of the critter is the hide when you purchase live stock?

Mr. URION. About 6 or 7 per cent.

Mr. FORDNEY. Then, I believe you have stated that that portion of the critter does make some difference to the farmer as to what he receives for the critter.

Mr. URION. I think the farmer so considers it; I certainly do.

Mr. FORDNEY. You figure when you buy a critter that there is so much meat there, so much by-product, and you pay so much for the critter in proportion to the market value of those various parts of the critter; is that right?

Mr. URION. I think so.

Mr. FORDNEY. Then the farmer must receive the benefit of the high price of the hide; on the price of the hide on the critter?

Mr. URION. I do not see how he can help it.

Mr. FORDNEY. If it was not worth anything at all, you would not pay as much for the critter?

Mr. URION. No, sir. We buy the animal—hide, hoof, and all. We buy it and get a value out of everything in it. If the value is not there, it makes a difference in the price paid.

Mr. COCKRAN. Do you want this committee to understand that when you purchase a critter you constitute yourself a kind of tribunal to divide up and distribute the benefits of the tariff among the various elements?

Mr. URION. We do not consider the tariff. We buy the animal, as I stated to the gentleman on the other side, for all there is in it, and make a profit on every part of it if we can.

Mr. COCKRAN. And you buy the main elements that constitute it—that is, the meat, the tallow, and these other things?

Mr. URION. The tallow stands very much as the hide; but, of course, primarily cattle are bought for food.

Mr. COCKRAN. That is all, and that is what determines your going into the market?

Mr. URION. Not entirely.

Mr. COCKRAN. Were you ever induced to buy a single steer by reason of the demand for hides?

Mr. URION. No; I can not say that we were.

Mr. UNDERWOOD. What is the value of the average steer?

Mr. URION. At 8 cents a pound, weighing 1,200 pounds, it would be \$96.

Mr. UNDERWOOD. If the price of the hide dropped the entire amount of the duty on hides, it would be a drop of 15 per cent, and the hide, being worth 7 per cent, that would be a total loss on the steer of 1 per cent.

Mr. URION. Those figures are too much for me to follow. I can't carry them in my head. I assume that your figures are correct.

Mr. UNDERWOOD. If these figures are correct, then the total loss on the steer, if this reduction was made on hides, would not exceed 1 per cent.

Mr. URION. Well, that would be 96 cents, would it not? I said that the value of the hide was from 90 cents to \$1.20.

Mr. FORDNEY. What is the average value of all the by-products of the critter in proportion to the cost that you pay for the critter? For instance, suppose you paid \$100 for the beef critter; how much by-product for the entire critter—the hide, tallow, hoof, and horns, and all the other?

Mr. URION. I can give you the percentage, but I can not give you the value, because that fluctuates.

Mr. FORDNEY. I meant to say the percentage of value.

Mr. URION. I can give you that; 43 per cent as the whole. I thought you wanted the particular percentages.

Mr. FORDNEY. No. Then you certainly do take into consideration the value of the product when you buy the critter, for 43 per cent of it is by-product.

Mr. URION. Could not help it; no.

Mr. LONGWORTH. Is "critter" a technical term used in your business?

Mr. URION. That is the western vernacular.

Mr. FORDNEY. But all critters are not steers.

Mr. CLARK. Are you paying 8 cents for cattle now.

Mr. URION. We are paying 7.65 cents. Sales were made at 7.65 cents on Tuesday.

Mr. CLARK. When did you pay 8 cents?

Mr. URION. We have paid 8 cents for top steers.

Mr. CLARK. When?

Mr. URION. Within—I do not know that I can tell you exactly.

Mr. CLARK. Did you ever pay 8 cents for a steer in your life?

Mr. URION. I should think we had, but I could not tell you offhand.

Mr. CLARK. As a matter of fact, did you do it? What is the use of talking of steers at 8 cents when you never paid 8 cents for a steer?

Mr. URION. I do not know. I can not follow the market, and I do not pretend to. But I know that cattle have been higher than they were on Tuesday.

Mr. CLARK. I wanted to congratulate everybody if they were selling for 8 cents.

Mr. URION. They are not selling for 8 cents at the present time.

Mr. CLARK. I understood you to say that the weight of the hide from cattle taken off by the packers, the big packers—the “big four”—was just about the same as that of the hide taken by the rest of mankind. Do you stick by that statement?

Mr. URION. I think that is a correct statement.

Mr. CLARK. The bigger the animal, the heavier the hide, as a rule; is not that it?

Mr. URION. I should think that was so.

Mr. CLARK. Now, don't you know that you get the very cream of the cattle, the big ones, and that nine-tenths of all of these cattle that are butchered, outside of those killed by the big packers—I am not confining it to the “big four” now—the other fellows use the refuse cattle, the small cattle, the milch cows, the heifers, and small steers, and the chances are that the hides that you take off will run a third heavier than the hides taken off by the small cattle butchers, and by the foreigners themselves when they kill cattle?

Mr. URION. Well, I do not accept the premises. Armour & Co. kill a large number of canners, light cattle. They kill a lot of cows. The percentage of heavy cattle is small compared to the general kill of the canners—the cows, the light-weight animals. As representative of that, the Tuesday market, the sales in Chicago, ran 14 averaging 804 pounds, 16 averaging 735 pounds, 10 averaging 1,010 pounds, 5 averaging 920 pounds, and so on down, and the heavy cattle are in the minority.

Mr. CLARK. The big cattle are in the minority, are they?

Mr. URION. They happened to be on that day.

Mr. CLARK. A canner is not necessarily a small animal?

Mr. URION. It is light in weight, yes, and thin probably.

Mr. CLARK. It is possible, because he is simply lean, but the hide is not lean along with the animal?

Mr. URION. No; I do not think so.

Mr. CLARK. A big canner would have just as good a hide on him as the best steer that we could raise in Missouri, would he not?

Mr. URION. I expect he would.

Mr. CLARK. What does the average big steer in Iowa, Missouri, and Illinois, and that country through there, weigh? They will run above a thousand pounds, will they not?

Mr. URION. Yes; 1,200, 1,300, and sometimes as high as 1,400.

Mr. CLARK. Sometimes as high as 1,800?

Mr. URION. They are pretty heavy.

Mr. CLARK. I know that; it takes a cracking good steer to weigh that, and Missouri, Illinois, and Iowa about exhausts the subject. It is true that these hides taken off by the farmers, and some of the butchers in places of 2,000 and 3,000 population, as a rule are lighter than the average; you concede that, do you not?

Mr. URION. No; I will not concede that; I do not think it is a fact.

Mr. CLARK. Have you always lived in Chicago?

Mr. URION. No; I was born and raised on a farm, but I never threw a plow very much.

Mr. CLARK. Then, taking your statement that they do not run lighter, although I am reasonably sure that they do——

Mr. URION. I think, Mr. Clark, you will find there are more light cattle killed by the large packers than are killed by anybody else. the

reason for that being that the lighter cattle are canners, and the cows are canners, and the canning is done by the large packers and sold very largely in foreign markets.

Mr. CLARK. What do they do with the canners' stuff—make braised beef out of it?

Mr. URION. It is canned in different ways, and sold very largely, as I say, abroad.

Mr. CLARK. Taking into consideration the fact that these hides taken off by the small butchers and the farmers themselves are liable to be cut or damaged in all this stuff and one thing and another, their class of hides does not go into that class that has the tariff on it, does it?

Mr. URION. Certainly.

Mr. CLARK. All the benefit they get out of it, if they get any at all, is a sympathetic rise on account of the rise of the heavy hides by reason of the tariff? They go up a little just because the others go up by reason of that, just as they talk about a sympathetic strike?

Mr. URION. No, sir.

The CHAIRMAN. It is owing to the natural tendency?

Mr. URION. My understanding is that all the hides over 25 pounds in weight carry a tariff, and, as I said awhile ago, I never saw a 25-pound cattle hide, and I do not think I ever will.

Mr. CLARK. I do not know whether you will or not.

The CHAIRMAN. You spoke a few minutes ago about the time hides got down to 8 cents a pound and your people went in a limited way into the tanning business. You said the price of beef was high. What was the highest you paid for steers at that time?

Mr. URION. I have not the figures before me. I do not know whether I have the average for that year or not. Perhaps I have. Yes; the average for the year 1907 was \$6.50 a hundred.

The CHAIRMAN. You have not any figures any more in detail here?

Mr. URION. No; I have not.

The CHAIRMAN. You can, I suppose, obtain the figures for each month or each week during the period that the price of hides was down to 8 cents?

Mr. URION. I beg your pardon. I have it here, the price of cattle from there down, for the months of 1907. January, \$5.80; February, \$5.80.

The CHAIRMAN. That means what?

Mr. URION. \$5.80 a hundred.

The CHAIRMAN. All right. I did not understand you.

Mr. URION. \$5.80 for January; \$5.80 for February; \$5.75, March; \$5.85, April; \$5.80, May; \$6.40, June; \$6.70, July; \$6.55, August; \$6.50, September; \$6.30, October; \$5.80, November; \$5.30, December.

The CHAIRMAN. Now, give us the price of hides during these months.

Mr. COCKRAN. That was last year?

The CHAIRMAN. 1907.

Mr. URION. January, \$10.50. I am taking the average, as I understand it, both in the beef and the hides.

The CHAIRMAN. The average hides?

Mr. URION. Yes; I so understand these figures. These are not of my own compilation, but from the compilation of the Drovers' Journal.

The CHAIRMAN. In the Chicago market?

Mr. URION. Yes, sir; in the Chicago market, compiled from the Drovers' Journal, as I understand. They are the averages that are given.

The CHAIRMAN. The average in the Chicago market?

Mr. URION. I assume that is so.

The CHAIRMAN. Very well. Give us the price by months.

Mr. URION. January, \$10.50; \$10.50, February; \$10.50, March; \$10.25, April; \$10.30, May; \$10.25, June; \$10.25, July; \$10.05, August; \$9.56, September; \$9.85, October; \$9.50, November; \$8.50, December.

The CHAIRMAN. In December they got down to \$8.50?

Mr. URION. Yes, sir.

The CHAIRMAN. Did that continue into the new year, 1908?

Mr. URION. I think it did, although I haven't it in this compilation. This is simply for 1907.

The CHAIRMAN. Can you give me a copy of that compilation?

Mr. URION. Yes, sir.

Mr. CRUMPACKER. Mr. Chairman, I think the witness has the average price of country hides in that same book. I think he gives the average price of country hides, too.

Mr. URION. I think I have them in here.

Mr. CLARK. When you make up the brief I wish you would put the tables in. You are going to file a brief, are you not?

Mr. URION. No; I do not think so. When the committee gets through with me there will be nothing left to write about.

Mr. CLARK. I wish you would put both tables in—the same thing that Mr. Crumpacker is asking for—in your evidence.

Mr. URION. There are a good many terms here in country hides—

Mr. GAINES. I understand he will file a good deal of additional information that the committee desires.

Mr. URION. I think when you get through with me I will not have any information left to give. [Laughter.]

The CHAIRMAN. I trust that will be so.

Mr. CRUMPACKER. Let him give the tables of the country hides.

Mr. URION. There are terms here that I do not know. There are kips and calfskins and bulls, No. 2 buffs, extremes, and No. 2 buffs and heavies. I do not know what those terms are, and I do not know the comparison.

Mr. CRUMPACKER. There is no column of averages there?

Mr. URION. No.

Mr. LONGWORTH. No monthly quotations?

Mr. URION. Yes; but they are the particular things I have just read.

Mr. LONGWORTH. Just read them and see if they average.

Mr. URION. They do not compare at all.

Mr. LONGWORTH. Take the heavies, for example.

The CHAIRMAN. Mr. Urion, will you leave that book with the committee?

Mr. URION. Yes; but I would like to make an extract from it first.

Mr. CLARK. Mr. Urion, do you live in Chicago?

Mr. URION. Yes, sir.

Mr. CLARK. I want everything we can to move West, in the way of factories, and I have endeavored a good deal, first and last, to find out

why the tanning is not done in Chicago, Kansas City, Omaha, and St. Louis and those places where the hides are taken off the cattle. I understand that three-fourths of all the hides taken off in the United States are taken off west of Indianapolis.

Mr. URION. Yes; by the large packers.

Mr. CLARK. Yes; by the packers and by everybody else.

Mr. URION. Perhaps not so large a proportion as that.

Mr. CLARK. How does it happen that while we take off all the hides there, or three-fourths of them at least, these big tanneries are nearly all established in the East?

Mr. GAINES. It is a question of intelligence, sir. [Laughter.]

Mr. CLARK. No; I do not think so.

Mr. URION. I do not know anything about that.

The CHAIRMAN. Were they not established when the tanner took the tan bark to use in his tannery, and the tan bark was found or produced in the East, and the hides were largely in the East then, and the East in that way got possession of the business?

Mr. URION. You have answered the question better than I could, Mr. Chairman. I intended to say that the tanneries were established long before the large packers, and the tanneries were established in the East.

Mr. CLARK. They do establish new tanneries in the East still, and it seems to me as a matter of common sense that they should establish them out there. The boot and shoe industry has all moved West.

The CHAIRMAN. The boot and shoe industry has all moved West, do you say?

Mr. CLARK. Yes; just as the cotton industry is headed for the South.

Mr. FORDNEY. You are hardly getting the increase. Is it not true that the hides can more readily be moved to the East, to where the tan bark is, more easily than the tan bark could be moved from Pennsylvania, for example, to the West?

Mr. URION. That is a question on which I have no knowledge.

Mr. FORDNEY. Undoubtedly it is too expensive to ship the bark. It is too expensive on account of the high freight rates.

Mr. URION. I have no guess on that.

SUPPLEMENTAL STATEMENT OF CHARLES H. JONES, OF BOSTON, MASS., RELATIVE TO FREE HIDES AND FREE SHOES.

FRIDAY, *December 18, 1908.*

(The witness was duly sworn by the chairman.)

The CHAIRMAN. I suppose, Mr. Jones, you have read the statement of Colonel Clark about his conversation with you.

Mr. JONES. Yes, sir; I have it here.

The CHAIRMAN. You may proceed, then, Mr. Jones.

Mr. JONES. Perhaps I can get the impression before you in fewer words if I explain about the conditions existing in the shoe trade at the time Colonel Clark speaks of in his statement.

In 1902 and 1903 there was a considerable agitation in the East and to some extent in the West for a repeal of this duty on hides. We were informed by Congressman Roberts especially, who addressed

us on one or two occasions, that we had small chance of getting this duty repealed unless we would agree to a reduction at least of the duty on shoes. We undertook therefore to find out the feeling in the trade in regard to such a reduction. Colonel Clark in his statement refers to the remarks of Mr. William B. Rice, a prominent manufacturer and a Democrat, who he said at that time was unwilling that this duty should be taken off, thereby showing that the duty was protective. Mr. Rice corrected at that time a statement made by Colonel Clark to the same effect, and in correcting it Mr. Rice said this:

Now, you gentlemen who were present at the meeting know this is only half true. What I did say in the very beginning was that if you would take the tariff off every material out of which boots and shoes are made, I have no objection to taking the tariff off boots and shoes, but I added, and I still think and still add, that if every other manufactured article is to be highly protected, and if a large portion of the materials out of which boots and shoes are made are to remain protected, then I would say it would be unwise to entirely remove the tariff on shoes.

After that remark of Mr. Rice was published, a meeting of the whole trade was called at the United States Hotel in Boston, and a dinner was given at which over 200 members of the trade were present, and the subject was up for discussion. It was to be in the nature of a debate.

Congressman Roberts addressed the meeting, and then the subject was proposed, "Will you consent to admit boots and shoes into this country free of duty if by doing so the removal of the duty on hides can be secured?" Mr. Rice took the position we could not afford to do it, and I took the position that we could. Mr. Rice claimed that other materials entering into boots and shoes paid a duty, and consequently, even with free hides, we could not compete with foreign and especially Canadian manufacturers. That is what the idea seemed to be at that time, that Canada was the principal menace. I took the opportunity to show Mr. Rice and the trade that those materials were not cheaper in Canada than they were in this country. We were doing at that time a considerable business with Canada and I was familiar with their manufacturers, and I had ascertained that they had imported from this country into Canada practically all of that class of material that they used, and they paid the same price that we paid, with the duty added.

The grand result of that discussion was that the trade adopted a resolution to the effect that they would be willing to consent at any time, when free hides could be obtained, to a reduction in the duty, and, if all material entering into the cost of shoes was made free, to the complete removal of the duty.

At that time—this was early in the spring of 1903—the Commercial Bulletin, of Boston, sent out to all the shoe and leather manufacturers in that section of the country the following inquiry: "If hides are made free, will you consent to have your products free?"

They sent this inquiry to all manufacturers and tanners in that section of the country, and, as far as I know, elsewhere in the country, and they received from 375 shoe manufacturers and 40 tanners an answer. Of the 375 replies received from shoe manufacturers, 311 were in the affirmative without any qualification, 2 added a proviso if all materials used in the manufacture were put on the free list, and 64 answered no. You understand this proposition was, "If

hides are made free, will you consent to have your products free? ” That was the result of that polling, and that was probably the most complete attempt ever made to ascertain the feeling of shoe manufacturers on this question.

I had been to Europe in 1902, in the late summer and early fall, and had visited many shoe factories in England, and at that time I found those factories equipped with such machinery as we had discarded many years before. I found the labor cost of their shoes was greater than it was in this country, although their shoemakers earned very much less in weekly or daily wages. In fact, I had the same feeling toward them that you occasionally have when you find a man whose business is entirely gone and he has gotten so far behind the times he is not in the running at all. They were not in a position to put up a reasonably decent competitive fight against the class of goods we were selling in Europe.

I want to explain further just what that class of goods was. This country has never sold in Europe to any extent anything but a fine or welt shoe, as it is called, a shoe made by the Goodyear welt process, which is an imitation or reproduction of the old hand-sewed process. The nailed shoes and pegged shoes have been sold only to a very slight extent in Europe. We get that market for this reason: The Goodyear process, and, in fact, the whole art that is carried on in shoemaking to-day, was the creation of this country. It was not a foreign art. They never had the industry of shoemaking abroad until we taught them the art, and to make shoes by machinery from one end to another in large establishments was something the Europeans never knew until they learned it from America. Consequently, our advantage over them was considerable. Nearly all of the machines that were used were invented in this country. We obtained all those machines and adopted them and worked them into our system of manufacture before they did, as they are not generally quick at seizing new ideas, and by the time they had adopted that machine it had been discarded by us and we had gone forward and made a still further improvement, so that as competitors we held them in a certain sort of contempt.

We got our advent into that market on this class of welt shoes because they did not make them at all. The machinery necessary to make them was invented here and they had only adopted a portion of it. A large amount of hand work was necessary for them to complete their processes. When we went in there with men's shoes that are commonly sold at retail at \$3.50 or \$4 we found them unprepared to meet that competition. They had nothing of that kind. They had the hand-sewed custom shoe, worth \$7 or \$8, and then the cheap coarse shoes, but they had no good welt shoes that imitated the hand-sewed shoes. They also made their shoes in whole sizes, and they were clumsy fitters. The American shoes were made in half sizes and neat fitters, and created an immediate impression and an immediate demand for American goods, which we undertook to satisfy, and we had a growing business there for a number of years. As soon as they felt this competition from America, the English trade papers took the matter up. Some of the smaller factories lost enough business so they were crippled and failed in business, and they placed the blame for their failure upon American invasion, whether it was really due to that or not; but it made considerable talk and attracted

a great deal of attention. Immediately the English manufacturers undertook to copy and imitate the class of goods we were introducing. They were assisted in this by the United Shoe Machinery Company, which manufactures all of the important shoe machinery used in this country, and of course that company is anxious to sell its machinery there as well as here, and they sent the machinery over there, and with the skilled men that they had to instruct the English they gradually taught some of the English factories how to make the American shoe. If you will allow me, I will read to you a few of the remarks I made in my previous statement here that perhaps have been overlooked.

The CHAIRMAN. It is hardly necessary to do that. We have the record before us.

Mr. JONES. The impression had grown abroad, and I saw it extensively published, that the shoe trade was in favor of free shoes. I simply want to say that I did not say so before. I said the duty might be reduced to 10 per cent without damage, in my opinion, which represented the actual difference in labor cost, and later on Mr. Cockran asked the question again and I said that personally I was in favor of free shoes, but if free shoes were allowed it would create a disturbance here. I wish now to explain what that disturbance would be. I have tried to explain how, under the old-fashioned conditions, with free leather and free competition in shoe machinery, this country did develop and did produce shoes much cheaper and much more desirable than they were sold abroad. Those conditions have changed materially since that time. We no longer have the free leather, we no longer have free machinery, and our conditions in regard to labor and a few other important factors have changed to such an extent that the fact that I pointed out before exists. While we had a lower labor cost in 1902 and 1903, to-day the labor cost abroad is slightly less than it is here. With a labor cost abroad less than it is here, and with the slight advantage they get in some other respects in some of the articles like webbing and those things which are of no great importance and yet do cut some figure after all, they have an advantage in certain ways; for instance, in certain classes of leather. They get finished calfskins to-day in Europe slightly less than we can get them here. Under those conditions, while they could not invade this market immediately if an absolute free trade on shoes were to be allowed, ultimately they would get a foothold in this market undoubtedly, because while there are only one or two factories now equipped to make the American shoe successfully and cheaply, there is nothing to prevent the others equipping themselves in the same way if they have the market.

I have taken as much care as I could to ascertain from all the different classes of manufacturers of men's goods what the difference in labor cost is, and the best information I can get is that a tariff of 10 per cent would probably represent the actual difference in labor cost between the two countries. For instance, on \$3.50 or \$4, the labor cost of production in Brockton is 58 cents to 62 cents per pair. In Great Britain, or rather in Scotland, where the best factory of that class of goods is located, they claim to get the labor cost for half that price. I am not entirely satisfied that that statement is accurate, but it is the best information obtainable, and that is the most favorable proposition that they have to offer.

In the cheaper classes of goods, men's heavy shoes that retail for \$2 a pair, the labor cost ranges from 18 to 22 cents a pair. You can see a 10 per cent tariff would cover all the difference possible if they got their labor for half the cost of ours. If their men are equally as efficient and earn half the wages, they could not send shoes to this country on a lower labor cost in connection with that grade of goods.

The CHAIRMAN. You will remember a number of your associates from all over the country came before the committee and stated if the tariff were taken off entirely, it might be taken off of shoes without harm. You can thus see what you gentlemen accomplish by such statements before the committee. You come and tell the committee voluntarily, representing most of the shoe trade, that there is no question if we take the duty off of hides and take the duty off of shoes and let them in free. By and by, when we come to construct a tariff bill, if the judgment of the committee should happen to differ from that, it gives a chance to everybody in the United States to say, "Here is a committee that would not be guided by the men in the business, who said they could stand a free shoe." That is the position in which you gentlemen leave the committee. You do that in face of the fact that I have advised some of you gentlemen for years that before you said you could take the duty off of shoes you must examine into the question and see what shoes cost, because you might be back here in a year or two asking for a duty again. After all that, you come in here and tell the committee to take the duty off of shoes.

Mr. JONES. Mr. Chairman, there was a telegram you received from the Sorosis Shoe Company. Do you recall that?

The CHAIRMAN. Yes.

Mr. JONES. They stated they were perfectly willing to have shoes free?

The CHAIRMAN. Yes.

Mr. JONES. I have no doubt they would be able to maintain their hold in the shoe business in this country and to some extent abroad with free shoes.

The CHAIRMAN. You came here as a committee of manufacturers—one representing the East, one representing the central portion of the country, and one the western portion of the country, and so on all over the country, and representing associations of various kinds—and told us we might take the duty off of shoes if we took it off of hides, and it would be no detriment to the trade.

Mr. JONES. If I may be permitted, I should like to present to you in this connection what occurred the other day:

Mr. COCKRAN. If the duty were taken off of hides and you had free leather, would there be any necessity for continuing the duty on shoes?

Mr. JONES. At the present time, owing to the slight difference in the labor cost in this country and in Europe, there might be some necessity. In 1897 our labor cost was lower than it was abroad. It has changed since that time, it having increased here and decreased abroad.

Mr. COCKRAN. How much duty would make up the difference in the labor cost?

Mr. JONES. Ten per cent would be enough; 5 per cent, perhaps.

I do not plead guilty to being one of the parties who said he was willing to have absolutely free shoes, because that which I have read is the official report sent to me of the proceedings here.

Mr. COCKRAN. Did you not state subsequently you would be entirely ready to accept free shoes? It seems to me that is the way the matter was left. That is my recollection of your final proposition.

Mr. CLARK. Did I not ask the question direct if you could not get a tariff off of hides any other way; that while you would rather keep this 10 per cent or 5 per cent, as the case may be, on shoes, you would give it all up?

Mr. JONES. I said personally I would be glad to. Personally, I believe myself—and I am not speaking for or representing the trade, because that is not the opinion of the trade—but representing myself personally as a manufacturer, I should be perfectly willing, or rather I should be very glad, to make that exchange.

Mr. COCKRAN. That is from your own testimony?

Mr. JONES. Personally, but that is not the opinion of the trade, and I wish to make that quite clear.

Mr. CLARK. For whom do you stand now?

Mr. JONES. In making the statement that personally I should like to see it taken off, I speak for myself alone, and I would like to give my reasons, so there may be no misunderstanding.

Mr. COCKRAN. Your own experience, your own trade experience, is that you can get along without a tariff if hides come in free?

Mr. JONES. I can answer that as well by reading what I said before in answer to the same question:

Personally I should be glad to see all the duty taken off. If all the duty were taken off there would sooner or later result a disturbance or else labor would have to produce more, because we would import more shoes, but a smaller duty would protect the manufacturer.

What I mean by disturbance is this: I want to make that very plain, so I may not be misunderstood. I do not want to come down here and mislead you. A disturbance means this: The reason we can not make shoes as cheaply now as we could seven or eight years ago is because changes have taken place in business conditions. Leather to a great extent is controlled by trusts. Our machinery is controlled exclusively by a trust. We have raised the wages of labor and shortened the hours of labor, and a number of changes of that kind have occurred; that is, labor unions have lessened the production of our men in our factories.

Mr. COCKRAN. Are you speaking from your own experience? Is that your experience in your own factory, or are you speaking from your conception of the experience which awaits others? You say as far as you are personally concerned you are willing to have these articles put on the free list?

Mr. JONES. I say in connection with that, if they were put on the free list, a disturbance of business conditions would result.

Mr. COCKRAN. You are willing to face that disturbance?

Mr. JONES. Personally, I should be glad to, because I think it would return us to more healthy conditions.

Mr. COCKRAN. So when you are testifying here about these apprehensions, they are not your apprehensions, but the apprehensions of somebody else?

Mr. JONES. They are my apprehensions that labor would have to be adjusted to meet the new conditions. If you desire to protect labor in its enjoyment of these present wages and the present system of work, it would not do to take the duty all off.

Mr. COCKRAN. You could not get labor to work for you at lower prices? The laborers would go into some other business rather than do that, would they not? You have to pay existing rates of wages,

and your rates are now higher than any other place in this country, are they not?

Mr. JONES. They are in Massachusetts.

Mr. COCKRAN. So shoemakers get a higher rate of wages than men engaged in textile work, for instance?

Mr. JONES. Yes, sir; they get the highest wages of any class of labor in Massachusetts.

Mr. COCKRAN. How high do they get?

Mr. JONES. I can not state exact figures, but the census report recently issued confirms that statement, which has been the condition of affairs in this country for the last ten years. Shoe workers earn a greater rate of wages than any other class of workers, than any other class of industry classified in the census.

Mr. COCKRAN. Do you include in that the steel industry?

Mr. JONES. That is not an industry in Massachusetts, and I can not speak knowingly with reference to that.

Mr. COCKRAN. You pay about the average American wages for similar work in other industries, do you not?

Mr. JONES. We pay rather more.

Mr. COCKRAN. Do I understand you to say if this tariff were taken off of shoes, thereupon you fear there would be some injury to the rate of wages paid labor?

Mr. JONES. Necessarily; yes, sir.

Mr. COCKRAN. You want to take a turn at the duty upon hides and knock it off altogether?

Mr. JONES. Yes, sir.

Mr. COCKRAN. But you want a duty on your own article; that is, you want to sacrifice the protection of another man and hold on to your own share of it, or some share of it. That is your attitude, is it not?

Mr. JONES. Personally, it is immaterial to me, but the industry and the labor people employed in it would suffer somewhat in wages.

Mr. COCKRAN. Is that your testimony?

Mr. JONES. Yes, sir.

Mr. COCKRAN. You testify that you want hides placed on the free list, so as to benefit your particular industry, but you do not want your own product placed upon the free list?

Mr. JONES. No, sir.

Mr. COCKRAN. That is it?

Mr. JONES. Yes, sir.

Mr. COCKRAN. In other words, you think the alleged protection which the farmer thinks he obtains by reason of the hide duty should be taken away, but the protection which you want should be continued?

Mr. JONES. Do you not recognize any difference between a hide, which is a raw product, and a shoe, which is a highly finished product?

Mr. COCKRAN. Not the slightest, sir; not the slightest. I think one is as much entitled to protection as the other. If you once go into the business of helping people by taxation, I do not see why you should differentiate. I think everybody should be allowed to help himself.

Mr. CLARK. Henry Clay stated in one of the greatest speeches in Congress that free raw materials was one of four ways to accomplish protection, but nobody ever heard of free raw hides as a tenet until about twelve years ago. A hide is just as much a finished product to the fellow who furnishes the hide as is the shoe to the man who furnishes the shoe, and when you left here the other day I was very much rejoiced that somebody had come here at last and made a proposition to just rake the whole thing off the face of the earth on one schedule. Now we get right back where we started in, the first time you came.

Mr. JONES. From what I have read you, if there was a misunderstanding, it does not appear as if it was wholly my fault.

Mr. COCKRAN. Without discussing that, how much would you reduce the rate of wages now, supposing the whole industry were placed on the free list—free hides, free leather, and free shoes? Tell us how much it would affect your scale of wages—your own, and not your neighbor's?

Mr. JONES. That would depend on other factors that I can not answer for.

Mr. COCKRAN. What other factors?

Mr. JONES. Free machinery.

Mr. COCKRAN. We will not speak of that for the present.

Mr. JONES. That is a vital factor.

Mr. COCKRAN. I will repeat my question. Assuming that you get free hides and free leather and free shoes, how much would that change or involve a reduction in your own rate of wages or the rate of wages you pay?

Mr. JONES. That is impossible of answer. It is a mere guess.

Mr. COCKRAN. Very good.

Mr. JONES. Because the industry at the present moment abroad is not developed sufficiently to enable me to base an estimate. There are one or two factories abroad that make goods at a cost very much less than our cost here.

Mr. COCKRAN. Where are they?

Mr. JONES. In Scotland.

Mr. COCKRAN. Where are they selling their goods?

Mr. JONES. Great Britain and abroad to some extent. They have a house in Montevideo.

Mr. COCKRAN. Are you not selling goods in Great Britain?

Mr. JONES. No, sir. They are being sold there by people who have their own retail stores, but the manufacturers who supply the trade in Great Britain have as a class withdrawn. We have withdrawn all our salesmen.

Mr. COCKRAN. Do you mean to say American shoes are not being sold in Cairo, in Naples, and in other Italian cities and in Constantinople and elsewhere?

Mr. JONES. To a very trifling extent.

Mr. COCKRAN. Do you think you could buy any other shoes there?

Mr. JONES. I suppose you can.

Mr. COCKRAN. You suppose? Do you know it? Have you ever tried it?

Mr. JONES. I have never been there.

Mr. COCKRAN. I have tried it, and you can not get a pair of shoes except American that are fit to wear.

Mr. JONES. Ah, "fit to wear." You did not put that in before.

Mr. COCKRAN. People do not buy shoes that are not fit to wear.

Mr. JONES. I am afraid they do.

Mr. COCKRAN. Now, Mr. Jones, you say that the sale of American shoes does not amount to much abroad?

Mr. JONES. In Europe.

Mr. COCKRAN. I say in every city in Europe they are on sale, and they are the chief articles of sale, so far as ready-made shoes are concerned.

Mr. JONES. I am not in position to enter into debate with you, because I do not know how extensively shoes are retailed abroad. There are three or four American shoe men who have built up a business and who hold their clientage on account of having retailed shoes there, and who rely largely on American tourists, but I know merchants and manufacturers of American shoes who sold their goods to the jobbing and the retail trade abroad who have quit the business.

Mr. COCKRAN. Is not that on account of this duty on hides and leather?

Mr. JONES. Yes, sir; partly.

Mr. COCKRAN. If you were able to hold the market to some extent, notwithstanding the existing duty on hides, do you not think you would be able to reconquer any loss you have experienced if hides and leather were made free?

Mr. JONES. Not wholly.

Mr. COCKRAN. To a great extent you could?

Mr. JONES. As I have said, it would depend on other conditions.

Mr. COCKRAN. I am speaking of conditions I have defined, free hides, free leather, and free shoes.

Mr. JONES. No, sir; you would not regain the market on that basis.

Mr. COCKRAN. You have held the market to a great extent under existing conditions, which you say are very onerous. Why do you say you can not recover ground lost under these more favorable conditions?

Mr. JONES. Because the foreigner has made a vast improvement in the last few years.

Mr. COCKRAN. You could recover to some extent?

Mr. JONES. To a slight extent.

Mr. COCKRAN. The advantage you would get from free raw hides and free leather would be slight?

Mr. JONES. It would be very slight abroad.

Mr. COCKRAN. Why not equally great abroad if it reduced the cost of your production?

Mr. JONES. Because they have advantages in other material that we can not get. They get cheaper leather and cheaper labor.

Mr. COCKRAN. I am afraid I have been very inefficient in making myself understood. Assuming you had free raw hides and free leather, could you not then defy the competition of any foreigner, in this market at least?

Mr. JONES. I think ultimately the very much lower cost of labor would let them in to some extent.

Mr. COCKRAN. Ultimately? Speak of to-morrow. Suppose these conditions occurred to-morrow, would you apprehend any importations next week?

Mr. JONES. No, sir.

Mr. COCKRAN. Then, when you speak, you are back where we found some of these other gentlemen at the beginning of these inquiries, seeking a tariff to quiet apprehensions about the future and not to meet any existing conditions?

Mr. JONES. Not exactly that, Mr. Cockran. It is not apprehension. There is one man in Europe who has developed a process for making shoes cheaper than we have.

Mr. COCKRAN. Where is that man?

Mr. JONES. In Scotland—Mr. Clarke, of Scotland, is making American shoes at 15 or 20 cents a pair less than they can be made in America. Mr. Clarke is making the American style of shoe, copying the American shoe, cheaper to-day than it can be made in this country.

Mr. COCKRAN. As good as the American shoe?

Mr. JONES. Yes, sir.

Mr. COCKRAN. Then there is nothing to prevent Mr. Clarke taking the entire market?

Mr. JONES. Nothing except his ability to handle a business of such magnitude and his lack of capital and lack of trained help and a number of other factors of that kind. He has it to a certain extent.

Mr. COCKRAN. There is no difficulty in expanding there, is there?

Mr. JONES. I do not believe I understand your question.

Mr. COCKRAN. Let us see if this is your answer: Do you mean that Mr. Clarke, to a limited extent, can produce a better shoe?

Mr. JONES. That is true.

Mr. COCKRAN. As against that, you want us to establish this protection?

Mr. JONES. It is against all other men and what they would do in the same situation if they had the market.

Mr. COCKRAN. It is immaterial whether it is one or five others. You say now the foreigner is able to produce shoes cheaper than we are.

Mr. JONES. That foreigner is.

Mr. COCKRAN. If one man can, 50 men can.

Mr. JONES. That is the point.

Mr. COCKRAN. Therefore, according to you, the foreigner has now driven the American shoe out. Now, is that true?

Mr. JONES. Yes, sir.

Mr. COCKRAN. Do you mean to tell me American shoes are not for sale now in every European city?

Mr. JONES. No, sir; I told you they were.

Mr. COCKRAN. Well, if they have driven them out and they are still on sale, that seems to be a situation I can not reconcile.

Mr. JONES. May I explain?

Mr. COCKRAN. Yes.

Mr. JONES. The Walkover, the Regal, and such factories as have established their own retail stores abroad are able to hold on to the foreign business that they have built up, because there is a demand for their make of goods. I manufacture shoes and take them to a retail dealer who is an Englishman, and he tells me at once, "I can secure those goods of my home manufacturers at less price and of equal value," and he proves it, and I withdraw my salesmen and give up the market.

Mr. COCKRAN. Then why do not the others do the same thing?

Mr. JONES. Because they have an outlet to the public through their own retail stores that the manufacturer who has not stores can not get.

Mr. COCKRAN. Do you mean that the manufacturer who establishes his own retail stores can hold the market, and the manufacturer who does not establish a retail store is driven out?

Mr. JONES. That is the answer.

Mr. COCKRAN. Then why is not the remedy to establish these retail stores instead of asking a tax on the community?

Mr. JONES. The demand is fairly well met by the stores already existing.

Mr. COCKRAN. Do you think the demand has ever been fully met for improvement in the quality of any article that can be included among necessities?

Mr. JONES. We can not. They are offering shoes over there—

Mr. COCKRAN. How can Hanan hold the market?

Mr. JONES. He has an established trade in those countries. American travelers know his goods and frequent his stores and purchase his goods.

Mr. COCKRAN. Do you mean to tell me the sale of American shoes is confined to American travelers?

Mr. JONES. In a large way. I think a large part of his custom is confined to American travelers, but they have also a clientage among the native people.

Mr. COCKRAN. I will ask you this, if you are able to answer: Is there a city of any importance in the Far East or on the Continent of Europe where American shoes of different qualities are not for sale at this moment?

Mr. JONES. I fear I do not quite catch the gist of your question.

Mr. COCKRAN. I say, is there a large city in the East or in Europe where American shoes are not for sale at this moment, and in large quantities—larger quantities than the English shoes?

Mr. JONES. I do not think there are anything like as many as the English shoes.

Mr. COCKRAN. Your testimony is based on the assumption that the sales of shoes, of English-made shoes, ready-made shoes, in the markets of the East and Europe, are larger than the sales of American shoes?

Mr. JONES. Yes, sir; very much larger.

Mr. FORDNEY. What proportion of the leather consumed in this country is made from imported hides; do you know that?

Mr. JONES. In 1904 there were \$52,000,000 worth of hides imported of all classes, and of that amount \$11,000,000 in round numbers were dutiable hides.

Mr. FORDNEY. I mean of the total amount of leather consumed, what proportion consumed for domestic and foreign uses is made from imported hides? Have you any idea about that?

Mr. JONES. Dutiable or nondutiable?

Mr. FORDNEY. Dutiable hides; hides that pay a duty.

Mr. JONES. I can not tell exactly. I can guess at it only.

Mr. FORDNEY. What proportion do you say was dutiable of the \$52,000,000 imported?

Mr. JONES. About \$11,000,000. That was in 1904.

Mr. FORDNEY. I have had in mind that about 40 per cent of the hides consumed in the country are imported—40 per cent of all the leather used in this country is made from imported hides.

The CHAIRMAN. There were 120,000,000 pounds of dutiable hide, costing about \$19,000,000.

Mr. JONES. There is a very large quantity not dutiable, and my impression of all the leather that is used in this country made from imported hides of all classes, dutiable and nondutiable—and this is a mere estimate—60 per cent were native originally—50 to 60 per cent, and the other 40 to 50 per cent was imported.

Mr. FORDNEY. \$11,000,000 out of \$52,000,000 of dutiable hides?

Mr. JONES. Yes, sir; that was in 1904.

Mr. FORDNEY. If the duty were removed absolutely from that, who would get the benefit here in this country?

Mr. JONES. Every man that wears shoes made out of leather.

Mr. FORDNEY. Would it not be a very small item for shoes, when 40 per cent of the leather is imported and only about one-fifth of it pays duty?

The CHAIRMAN. Where do you get your figures?

Mr. FORDNEY. From the gentleman himself. He says \$11,000,000 of the \$52,000,000 paid duty only.

The CHAIRMAN. The domestic production of hides is over a billion pounds, according to the statement of some of these gentlemen. We had 17,000,000 cattle producing hides that averaged 65 pounds apiece.

Mr. FORDNEY. Perhaps I can make myself better understood. The point I am trying to make is this, that out of all the leather consumed in the country there is 40 per cent made from imported hides.

Mr. JONES. I think so; about that.

Mr. FORDNEY. To remove the duty from all dutiable hides, would not that make the price for a buyer of shoes, the average consumer in the United States, so slightly reduced that it would not really be taken into consideration?

Mr. JONES. The operation of the duty raises the value of domestic hides just about as much as it does those that are imported, so that hides raised in this country, as well as those that are imported, are affected by the duty.

Mr. FORDNEY. Then the American people should benefit to the extent of 60 per cent of the amount of leather consumed by that duty of 40 per cent raising the price of the other 60 per cent?

Mr. JONES. If I understand you correctly, the men who own hides in this country get more for the hides they sell on account of the duty?

Mr. FORDNEY. Yes.

Mr. JONES. That is, the hides are a marketable commodity the world over. They have a market value all over the world, and while the immediate and great demand in this or any country will for the moment force the price up, it returns to the level of the world, just as water assumes its level in the sea. If you erect a barrier in this country in the way of a duty of 15 per cent, you raise the price of hides in this country just 15 per cent above the price of the world.

Mr. FORDNEY. Consequently the producers of 60 per cent of the leather consumed in this country made from hides here are benefited by that raise in price?

Mr. JONES. The men who own the hides are benefited; yes, sir.

Mr. FORDNEY. Now, who is that man who gets the benefit? Is it the farmer who raises the steer or is it the packer who kills the steer?

Mr. JONES. I am unable to find any evidence at all that anybody got any part of it except the packer and the butcher.

Mr. FORDNEY. A packer here to-day stated his firm did not care whether the hides were dutiable or free; that it would make no difference to them, and that 43 per cent of the total bulk of the animal was by-product.

Mr. JONES. I heard that.

Mr. FORDNEY. Do you think the farmer sells 43 per cent of the ox or steer and does not get anything for it?

Mr. JONES. I think that a farmer who sells his cattle to the stock yards and expects those gentlemen to recognize in that animal 1 per cent of its value increased on account of this tariff—and that is what it amounts to—and give that to him in consequence of the tariff, is putting up a proposition that is too stiff for me to believe.

Mr. FORDNEY. Would it not seem reasonable to you that if a packer made enough profit out of the steer to amount to what he got for the hide, he would get rich much faster than he does now?

Mr. JONES. He would make a great deal of money.

Mr. FORDNEY. Then he certainly does pay something for the by-product?

Mr. JONES. Of course.

Mr. FORDNEY. Then he must pay something for the hide?

Mr. JONES. Certainly he does.

Mr. FORDNEY. You figure he gets the benefit of it, do you not?

Mr. JONES. He gets the benefit of the weight of the hide. If he sells a steer for \$6 a hundred, and the hide weighs 60 or 70 pounds, he gets paid that proportion of the total price for the hide?

Mr. FORDNEY. The benefit depends on the value of that hide?

Mr. JONES. I do not think so.

Mr. FORDNEY. If it is only worth 25 cents and another is worth only 7 cents, would he not get the benefit?

Mr. JONES. If the difference is in the weight, he might possibly get the benefit in that way.

Mr. FORDNEY. He would get a portion of it, would he not?

Mr. JONES. I think not.

Mr. FORDNEY. How can you figure that out to the man that wears a pair of shoes?

Mr. JONES. Some one here this morning admitted in answer to some questions that the farmer sends the cattle into the stock yards and the stock yard purchases the cattle to meet the demands for beef. If the demand for beef is met and they are selling readily, they raise the price of steers and cattle enough to bring a supply of cattle into the market, so they will have the animals to kill.

Mr. FORDNEY. But if the value of the by-product is not very high, he certainly—

Mr. JONES (interrupting). They do not know and can not tell to that extent. Within the last sixty days hides have fluctuated more in value than the duty adds to the cost of them, but still they have not given any of that to the farmer. They have manipulated the price of hides and created an artificial price, and the farmer does not get advantage of it because beef has not gone up in proportion.

Mr. FORDNEY. When they give \$96 to a farmer for a steer, do they not get a pretty good price for every part of the animal, including the hoofs and horns?

Mr. JONES. That is better than the average price.

Mr. FORDNEY. Some one testified to-day they were paying that.

Mr. CLARK. But when I got hold of him he admitted there has never been a steer sold for 8 cents a pound.

Mr. FORDNEY. I was here when you got hold of him.

Mr. CLARK. And he came right down out of the tree on that proposition, too; \$7.65 was the highest price a steer ever sold for.

Mr. FORDNEY. I do not know that Mr. Jones has answered my question to my satisfaction. Perhaps he can answer it directly.

The CHAIRMAN. He does not agree with what you say, and, of course, you are not satisfied.

Mr. FORDNEY. Did Mr. Jones say he did not agree with what I said?

The CHAIRMAN. He does not agree to what you say.

Mr. FORDNEY. Then I will ask that question again. I do not believe you answered it, Mr. Jones. If, when the price of hides is high, the farmer gets no benefit from the value of the hide on the steer when he sells it, even though the hide may bring six or seven dollars in the market, and he purchases the steer for \$60; if you say he does not get the benefit of the price of that hide, how can you figure it, then, that the man who buys a pair of shoes is going to get the benefit of the reduction of the duty of 15 per cent on 40 per cent of the hides consumed in this country? Let me get a little further before you answer it. I see that the exportation of shoes last year was 5,833,914 pairs, at a cost of \$10,666,000, or \$1.82 a pair. Divide that up and tell me how much less that man would have to pay for that \$1.82 shoe if the duty was removed from 40 per cent of the hides.

Mr. JONES. The duty on hides affects the value of different classes of shoes in a varying degree according to the class of shoe—that is, an infant's shoe, made with kid top and sheepskin sole, would not be affected much. A shoe such as I wear, a man's shoe worth \$4 or \$5 a pair, would be affected to the extent of 5 or 6 cents a pair. A shoe such as a workingman wears, with cowhide upper, would be affected in cost at the factory from 10 to 11 cents a pair. That affects the cost of that shoe to the wearer from 25 to 50 cents a pair. Boys' shoes and women's heavy stout shoes are affected in the same proportion.

Mr. FORDNEY. Who would get the benefit if the duty was taken off?

Mr. JONES. That man that wears the shoe.

Mr. FORDNEY. The farmer would not get it out of the hide?

Mr. JONES. No, sir.

Mr. FORDNEY. The packer would get it?

Mr. JONES. Yes, sir.

The CHAIRMAN. It was stated here that there were 17,000,000 hides produced in this country, with an average weight of 65 pounds. That would make 1,100,000,000 pounds. The importation of hides was 120,000,000, or pretty nearly 10 per cent, instead of 40 per cent, of the hides produced here. Now, all the hides produced here are not consumed in the United States. There is a large exportation of leather, is there not? About \$22,000,000 a year of all kinds of leather,

and \$10,000,000 of shoes and harness, and all that sort of thing, requiring a good deal of hides to make the leather that is exported.

Mr. JONES. Yes, sir.

The CHAIRMAN. You said, in answer to Mr. Fordney's question, if there was a duty of 60 per cent on 120,000,000 pounds of leather that was imported into the country that it would add 60 per cent to the value of 1,100,000,000 pounds of hides produced in this country. Do you mean to stand on any such assertion as that? Do you mean to say the entire duty is added to the price of the domestic article, when the domestic article produced is ten times the imported article?

Mr. JONES. I mean to say the fact that a duty of 15 per cent is imposed on hides increases the cost of the hides taken off in this country by about 15 per cent above the level of the world.

The CHAIRMAN. I think you are as wrong and mistaken about that as you are about anything you ever thought of in your life. I do not believe it adds scarcely anything to the value of hides in this country, and makes very little difference whether the hides are taken off or left on, so far as you shoemakers are concerned. Go a step further with that. The shoes you make contain how much sole leather?

Mr. JONES. From $2\frac{1}{4}$ to $2\frac{1}{2}$ pounds.

The CHAIRMAN. That means $1\frac{1}{4}$ pounds of hide to make $2\frac{1}{2}$ pounds of sole leather, does it not?

Mr. JONES. I do not know.

The CHAIRMAN. The filling in the hides doubles the weight, does it not? On that supposition, that there is a pound and a half of hide goes into the shoe and the duty is 15 per cent of the average importing price of the hide, which is 15 cents a hide, that would be 0.0225 cent if the whole duty was added to the price of the hide or of the leather made from that hide in the United States, going into the shoe that you produced. If you export those shoes, what is your exporting price? What is the exporting price of your shoes? What is the importing price, if they are imported from abroad—shoes similar to those you make? What do you sell yours for?

Mr. JONES. We do not import any shoes.

The CHAIRMAN. What do you sell your shoes for?

Mr. JONES. From \$2.25 to \$3.50 a pair. We sell them at the factory.

The CHAIRMAN. Is \$3 an average price?

Mr. JONES. No; \$2.75 is a better average. That is, the factory price.

The CHAIRMAN. If those shoes were imported here, they must come in at about \$2.50 to meet the tariff. The tariff is 25 per cent, and that would be about 70 cents a pair. Now, you claim if you can get rid of $2\frac{1}{2}$ cents a pair in the cost of making shoes, you can take off the whole duty of 25 per cent, which amounts to 70 cents a pair, and still compete with the people abroad? You think you can give it up—you think you can give up this whole duty on shoes? Take the last proposition of all you get under that 15 per cent basis.

Mr. RANDELL. I do not think, Mr. Chairman, you understand the witness.

The CHAIRMAN. It would be about 4 or 5 cents a pair you can get rid of in that direction if you get free hides. Do you not see the absurdity of your position in that particular?

Mr. JONES. No, sir.

The CHAIRMAN. I am sorry I can not make you see it. It is as plain as day to me.

Mr. JONES. Let me explain; it is easy enough to take a lot of figures, if you do not understand their application to a particular business, and make a proposition look absurd; but the fact is that the duty makes a certain difference in the cost of sole leather. It makes a certain difference in the cost of hides in this country. If you know a dealer in hides, and if you will take the trouble to consult the gentlemen in that line of business, they will tell you the hides sell in this country at about the price in London, with duty added.

The CHAIRMAN. I do not find it so when I come to compare the tables. I had a man manufacturing shoes come to me and try to figure out that the price of leather had increased from 18 to 27 cents a pound. He said it was all on account of this duty of 15 per cent on hides. You have got beyond that point?

Mr. JONES. I never was there.

The CHAIRMAN. I figured to him just what it was, and he went to Boston to find out about it and was going to produce figures. I do not know whether he went to you or not. He finally gave it up that he could not produce the figures. He finally saw the absurdity of his proposition. I do not think your people, with all your talk, have reached the bottom of this question yet.

Mr. JONES. It is evident you do not understand our position. We certainly have not got to the bottom of it, if this is all the impression we have made.

The CHAIRMAN. The gentleman who came in here stated you could compete with anything. One man stated he could compete with anything between the earth and the sky. You remember that expression, do you not? And that was applauded.

Mr. JONES. That was a leather manufacturer.

The CHAIRMAN. No; I think he was a shoe manufacturer. At any rate, he was applauded by the whole audience of shoe and leather manufacturers.

Mr. GAINES. They were all mighty friendly that day.

The CHAIRMAN. They all believed that, then. Now you come back here after you have published this broadcast throughout the land and tell this committee that if they take off that whole 25 per cent of duty you must reduce the price of labor. This committee is not here to reduce the price of labor because you ask for it. They are here to make a tariff bill and to do justice to all, and they want to get at the facts. They would like to get the facts from you. We want your final facts, your final conclusions. If you want to amend what these gentlemen said, go ahead and amend it, but we want to get the facts before we act.

Mr. JONES. I do not know that I have any right to assume responsibility for what anybody else said, but what I said is published here in your official report.

Mr. UNDERWOOD. The duty on hides is now something like \$3,000,000. The Government needs the revenue. You gentlemen come here asking us to remove the duty on hides and give up that amount of revenue. What do you want it for? Why do you want us to remove that duty?

Mr. JONES. Because it is destroying the industry we are engaged in.

Mr. UNDERWOOD. Destroying the industry in America?

Mr. JONES. Yes, sir.

Mr. UNDERWOOD. In America?

Mr. JONES. Yes, sir.

Mr. UNDERWOOD. How is it destroying the industry in America? You have not any competition from abroad, have you?

Mr. JONES. I will tell you how. I tried to explain the other day, and I want to say in answer to the gentlemen here this morning that this duty is enabling the packers of this country to control, first the packing hides that they take off themselves, and although the gentleman denied it here this morning, they are controlling to a very large extent the country hides taken off in this country—and I want to repeat that statement.

The CHAIRMAN. Do you not believe you can stand a reduction of this duty—just between us here now? You can stand a reduction of this duty to 5 per cent on shoes without cutting down the wages of a single employee, can you not?

Mr. JONES. No, sir.

The CHAIRMAN. You do not think you can do that? You are sure you can not do it, but you think you can on 10 per cent?

Mr. JONES. On many classes of goods; yes, sir.

The CHAIRMAN. On any class of goods. You said a few minutes ago you could stand the free list on your class of goods.

Mr. JONES. I said I would like to have them free.

Mr. COCKRAN. We will accommodate you. [Laughter.]

Mr. JONES. I said before, and I repeated it to-day, that a readjustment of a number of conditions would have to take place, and I should be very glad to see that readjustment take place. That is the reason I would like to see the duty taken off.

Mr. GAINES. Do you mean to bring the wages of labor down?

Mr. JONES. Or bring their productive capacity up.

The CHAIRMAN. I would like to get your whole idea in one proposition. What would be a fair protection between this labor in this country and similar labor abroad? I would like to have it in one proposition, and altogether.

Mr. JONES. The general opinion of our trade—

The CHAIRMAN (interrupting). What is your opinion?

Mr. JONES. My own opinion is that 10 per cent will represent the difference in labor cost.

The CHAIRMAN. Now, you have come down to business.

Mr. JONES. That is what I said the other day.

Mr. CLARK. In whose congressional district do you live?

Mr. JONES. In Mr. Tirrell's.

Mr. CLARK. Is that close to Mr. Gardner's district?

Mr. JONES. No, sir; it is the other side of Boston.

Mr. CLARK. Do you live in Boston?

Mr. JONES. My place of business is in Boston. I live in Weston.

Mr. CLARK. The reason for your reappearance here is that you were all down here before, and when you got back home you found the manufacturers of coarse shoes stirred up a row in Massachusetts, which has developed a sort of a feud between the fine-shoe makers, and the makers of "brogans," as we call them out West. Is not that about the size of the situation?

Mr. JONES. I had not heard of it. It may be so, but there is no feud so far as we have heard anything about it.

Mr. CLARK. It may not have developed into rifles and revolvers, but there is a row, is there not?

Mr. JONES. No, sir; not that I know of. There was published in all the newspapers, shortly after the hearings before the committee, a statement that all the manufacturers present were in favor of free shoes. A number of manufacturers came to me and asked me if I was in favor of free shoes. I said, for myself and for nobody else, I was. They asked me what I thought conditions required, and we took a lot of time and figured it out and got the best information we could as to the difference in labor cost, and I find it to be, as nearly as we can ascertain it now, just what I stated when I was here before.

Mr. CLARK. As I understood you before, if hides are put on the free list and leather is put on the free list and shoes are put on the free list, it would affect and cut down the price to the consumer more in coarse, heavy shoes than it would on fine shoes. Is that correct or not?

Mr. JONES. That is entirely correct.

Mr. CLARK. That is the very reason I was in favor of it. Your position now goes back to the New England position, where it has been for a good long time; to get everything you use free and put a tariff on what you have to sell. Is not that your position here to-night?

Mr. JONES. We are willing to cut the tariff in two in the middle.

Mr. CLARK. But cutting the tariff in two in a great many instances will not reduce the price to the consumer a single red cent, will it? The only way to be sure we will get at this on the shoe business is to put shoes on the free list, along with hides.

Mr. GAINES. What is the United Shoe Machinery Company?

Mr. JONES. It is a corporation that manufactures all the classes of shoe machinery that are used in this country, and a large part of those used in Europe.

Mr. GAINES. Is it essential to have the machinery of the United Shoe Machinery Company in order to manufacture fine shoes in this country?

Mr. JONES. Yes, sir.

Mr. GAINES. Do you own any of their machines in your shop?

Mr. JONES. We lease a large quantity; very few do we own.

Mr. GAINES. Can they be owned? Do they lease shoe machines, or do you buy them?

Mr. JONES. Most all of their machinery they lease. Some few kinds they sell, but most of it is leased.

Mr. GAINES. Have you a copy of the contract or any of the contracts they write in leasing their machinery?

Mr. JONES. I have not with me. I have plenty at home.

Mr. GAINES. Will you send a copy here to be filed?

Mr. JONES. With great pleasure.

Mr. GAINES. According to the terms of that contract, are you limited to the use of their machinery, or can you put in any other machinery of an independent inventor?

Mr. JONES. Their leases are filled with what we call "tying clauses."

Mr. GAINES. What are those tying clauses? Explain the operation.

Mr. JONES. If we wish to use their lasting machines, we can only do it in connection with their heeling machines, and if we wish to use their heeling machines we can only do so in connection with their

lasting machines, doing in that way throughout the whole manufacture of shoes with reference to the classes of work for which they make machinery.

Mr. GAINES. Is it possible to get a complete line of modern shoe machinery without using their machines?

Mr. JONES. No, sir.

Mr. GAINES. Therefore, in order to use their machines, you must use theirs exclusively?

Mr. JONES. Practically so; yes, sir.

Mr. GAINES. The Canadians have a patent law, have they not, by which the patentee is prevented from introducing into any contract for the use of his patent any such clause as the United Shoe Machineries Company have in leasing their patents in this country? Or is that in England? I know there is such a law somewhere.

Mr. JONES. That law is one of the laws passed by the English Parliament about two years ago. It applies in England, but I do not know whether it applies in Canada or not. That law forbids the English manufacturer of machinery from attaching any condition to the use of his machine that the patent does not grant him. He can not tie it to anything else. He simply has the right to use it under the conditions of the patent.

Mr. GAINES. Is not this a fact, that the greatest difficulty that the American shoe manufacturer now has in free competition—the greatest single difficulty—is the peculiar kind of contract by which he is tied up with the United Shoe Machineries Company? In other words, if he could buy these machines at a reasonable price, or if he could introduce such machinery other than theirs in his factory as he pleased and was free and independent in the choice of the agencies of manufacture—if that is a good expression—would it not amount to a very considerable economy to him in the production of shoes?

Mr. JONES. I think it would. That is my personal opinion—that it would be a very valuable privilege.

Mr. GAINES. So are you not suffering more in fact from the Massachusetts machinery trust than you are from even the packers?

Mr. JONES. The operation of that machinery lease has stopped our progress and development; the foreigners are put on an even basis with us; that is to say, the foreigner gets all the improvements, all the patents as soon as we do, and is instructed in the use of the new machinery. Formerly, when we had new machinery, we kept away ahead of the foreigner. That is one of the reasons why the labor cost abroad has gone down while we have stood still. If I understand your question rightly, that is the condition.

Mr. GAINES. Do you not believe that even if you are correct in thinking that the tariff on American hides should increase by the amount of duty on the foreign hide, and if that duty should be removed—do you not think in a very short time, if a large portion of the relief comes to the shoemaking trade, they would be absorbed by the United Shoe Machineries Company in the matter of installation of machinery and releasing of it?

Mr. JONES. I do not think they would increase their charges; no, sir. They are sufficient now for any possible purpose.

Mr. GAINES. How much do the rentals on their machines amount to on a pair of shoes in your establishment?

Mr. JONES. I should say, roughly, 5 or 6 cents a pair.

Mr. CLARK. How long have the patents to run on those machines?

Mr. JONES. A great many of them are already run out, but there are clauses in their leases which compel us to allow them to attach improvements, and every improvement, of course, carries seventeen years more.

Mr. CLARK. Yes; I know. [Laughter.]

Mr. FORDNEY. I want to ask Mr. Jones if hides were put on the free list, whether it would make any difference with the exportation of American-made shoes to foreign countries?

Mr. JONES. It certainly would, sir.

Mr. FORDNEY. You get a drawback of 99 per cent, do you not?

Mr. JONES. No; we do not get much drawback. You know a great many of the shoes we make for foreign markets are not made out of imported hides at all. They are made out of domestic hides on which there is no drawback, but the domestic leather has been increased in price and we have it to pay, so of course we are helpless. The foreign manufacturer, as a fact—I want to say this, not because I want to carry a point, but I want you to get the facts—the foreign manufacturer does buy the leather made in this country the duty less than it is sold here. The Government gives the tanner a drawback when he sends his leather abroad. The Government gives him the drawback and he gives it to his foreign customer. In other words, American sole leather is sold abroad at 2 cents per pound less than it is sold in this country. That is not theory. That is a fact that occurs every day. American upper leather is sold at 2 cents a foot less abroad than it is sold for in this country. That is a fact that occurs, and that can be verified by any number of shipments any day you care to look into the matter. I have recently tried to verify the figures given you when I testified before, and have examined the cost of upper leathers made from both domestic and foreign hides. I find the finished grain leather in this market figured out of a country hide at 12 cents per pound costs 2 cents per foot more on account of the duty. Or to be more exact, grain-finished leather would cost 2 cents per foot more made from a foreign hide on which the duty had been paid than it would cost made from the same hide if hides were free. That 2 cents a foot represents 6 cents in the cost of a pair of shoes. There are 3 feet of leather in every pair. The sole leather represents an additional cost of 4 cents a pair. In that case the shoes show an actual difference in cost of 10 cents, and the foreigner can make that shoe just that much cheaper than we can.

Mr. GAINES. I do not want to convey the idea to you that I discredited the truthfulness of your statement at all; not at all.

Mr. JONES. It is not a matter of opinion. It is a matter of daily business.

Mr. GAINES. If you and I differ it is a matter of opinion, and not because I believe you are dishonest in your statement at all.

Mr. JONES. I hope not, sir, because I am here under oath and came only for the purpose of giving the facts.

Mr. RANDELL. You say a majority of the shoes shipped from the United States are made of domestic hides?

Mr. JONES. I do not say that. I said ours are, the ones that we make. We use very little foreign hides in our shoes.

Mr. RANDELL. If you can get along with foreign trade with the tariff on the hides, could you not get along better just with the duty off the shoes and the tariff off the hides?

Mr. JONES. The duty on shoes would not make any difference to the foreign trade.

Mr. RANDELL. If you can compete with the domestic hides in the foreign country you certainly can here.

Mr. JONES. Certainly.

Mr. RANDELL. Then, from that standpoint, what business have you to ask the country to pay you a bonus on your shoes for the home market by putting a tariff on them?

Mr. JONES. Merely to protect the wages of labor; that is all.

Mr. RANDELL. You are manufacturing shoes for the foreign markets?

Mr. JONES. Yes, sir.

Mr. RANDELL. Working your men to do that?

Mr. JONES. Yes, sir.

Mr. RANDELL. And after building up this trade under a tariff you want to continue to charge the home people more than they can get the same product for in a foreign country?

Mr. JONES. The exportation of shoes as it occurs with us is practically all to South America, Mexico, Cuba, and Porto Rico.

Mr. RANDELL. That makes no difference. If you compete in the markets of the world, why is it you ask a tariff so you can require the American people to pay you more than they would have to pay if they did not have the privilege of living in this country but lived somewhere else? You can not give a reason for that, can you?

Mr. JONES. I have tried to point out my reason. I do not know that I can give a reason that will be satisfactory to you. You see, if you desire to protect the American workmen, you must not take off the tariff, because if you do the wages abroad will allow them to send shoes in here.

Mr. RANDELL. Do you not know the tariff on shoes in the present-tariff law, the Dingley bill, was obtained on the representation that the cost of labor on shoes was less in foreign countries than in America?

Mr. JONES. The rate of wages is much less.

Mr. RANDELL. Do you not know the statement was made and that the understanding was that the difference in labor cost was such that we ought to have a tariff to offset one against the other, when as a matter of fact it was just the other way and that labor cost there was higher than here?

Mr. JONES. I did not know that that claim had been made at that time. I did not know that.

Mr. RANDELL. It was not a fact, was it?

Mr. JONES. No, sir; it was not.

Mr. RANDELL. It is not a fact now, is it?

Mr. JONES. Yes, sir; it is.

Mr. RANDELL. Then you differ from some of these gentlemen who testified before?

Mr. JONES. I do not think so.

Mr. RANDELL. You do not agree it is just simply approaching nearer and may hereafter get cheaper?

Mr. JONES. No; it is cheaper now. I said so before, and I repeat it. There are certain kinds of shoes that may still be made in this country as cheap as they can be made abroad. Mr. Little, of the Sorosis Shoe Company, said so.

Mr. RANDELL. If you were not in the shoe business, but were one of the consumers in this country, would you feel that some of the men in the business you are now in had a right to ask Congress to make a law that would force you to buy his shoes at higher prices than you would have to pay in the markets of the world?

Mr. JONES. That is the old question—

Mr. RANDELL. I am talking about this particular condition in reference to this matter.

Mr. JONES. I do not think it is right, personally. I believe you ought to improve conditions and make them as they used to be, and let us make them cheaper than anybody in the world.

Mr. RANDELL. You have not answered my question. Under present conditions, as they now exist, do you feel that you would be willing and would you think it was right for Congress to pass a law to make you pay the producer of shoes similar to those you produce now a higher price than you would have to pay if it were not for that law?

Mr. JONES. That is what I understand is the policy of protection.

Mr. RANDELL. I would like an answer to that question.

The CHAIRMAN. Well, Mr. Witness, answer the question one way or the other.

Mr. RANDELL. I would like an answer to it if he can answer.

The CHAIRMAN. Are you in favor of it or not?

Mr. JONES. I do not think I understand what he means.

Mr. RANDELL. If you were a consumer, would you think it was right?

Mr. JONES. If any tariff is right, that is right.

Mr. RANDELL. Is that the best answer you can give me?

Mr. JONES. Yes, sir.

Mr. GAINES. Are you a protectionist or free trader?

Mr. JONES. I consider free trade is entirely inexpedient in this country at the present time. I think the tariffs ought to be greatly lowered, and ultimately free trade might obtain—ultimately, but not at present.

HON. N. D. SPERRY, M. C., SUBMITS LETTER FROM THE JEWELL BELTING CO., HARTFORD, CONN., FAVORING FREE HIDES.

HARTFORD, CONN., *December 21, 1908.*

HON. NEHEMIAH D. SPERRY,
House of Representatives, Washington, D. C.

MY DEAR SIR: In urging the removal of the duty on hides, as we most certainly do, we are governed by the feeling that it will be an ultimate good to every consumer of leather, whether in the form of shoes, harness leather, carriage leathers, belting, etc.

We do not feel competent to speak in detail of the benefits which would come in other lines of business than our own, but we do know, or think we know, for a fact, that certain classes of leather which we tan can be sold cheaper by the full amount of the duty paid if that duty is removed, a case in point being as follows:

For certain classes of work where very thick heavy leather is required, we purchase in Paris, or Basel, Switzerland, what is known as a heavy French or heavy Swiss hide. We buy the very heaviest selection out of these heavy hides and we require as near perfection

as we can obtain. For these reasons we always pay and expect to pay a fancy price.

This class of hides can not be purchased in this country. The cattle do not grow in the United States with as thick, heavy hides as the ones to which we refer, and for the special purposes that we speak of, we are obliged to have just this hide and pay whatever price is necessary to get it. Our selling price, quite naturally, is based upon what it costs us to buy the hide, pay the duty, tan it, and finish it into leather for the various purposes. Therefore, if the duty were entirely removed we could sell this leather in any of the various forms that we do sell it in at a price lower by exactly the amount of the duty, and still make the same profit that we make or try to make under present conditions.

On other classes of hides which are used for different purposes it is our belief that they can be tanned into leather and sold for various purposes, so that the consumer will pay a less price for the different articles than he is obliged to pay with the duty.

In addition to the above, we feel that there are some classes of leather from which the duty should be also entirely removed. For instance, walrus leather, which is used for polishing metals of all kinds, silverware (both flat and hollow), gas and electric fixtures, cutlery, and, in fact, metals of all kinds where high polish and smooth finish is required.

This class of leather is not tanned in the United States at all. At various times in the last twenty-five years there have been attempts by some American tanners to produce this leather, but they have always failed, the attempts have been abandoned, and for a number of years no American tanner has produced a side of this leather. By far the best and most all the tanning is done in Great Britain. We ourselves are probably among the largest, if not the largest, importers of walrus leather in the country. It carries at present a duty of 20 per cent. Its cost in Great Britain runs from a shilling to 5 shillings per pound, according to the quality of the tannage, thickness, and general condition of the tanned and finished hide. The hides weigh from 40 pounds to over 300 pounds, and the price has been steadily advancing in England for a number of years, owing, it is said, largely to the scarcity of the raw hides.

Our American consumers of this walrus leather have tried for many years to find a substitute, but have been unable to do so, and are therefore forced to pay not only the price that is necessary to the English tanners, but in addition thereto the duty of 20 per cent. Inasmuch as the article is one which is not and can not be produced satisfactorily in quality in this country, it is putting a needless and unfair burden upon the user of the leather to maintain a duty of 20 per cent, or, in fact, any other duty.

We have endeavored to confine ourselves strictly to facts, with all the details of which we are thoroughly familiar by reason of our own experience. Furthermore, we wish to emphasize the fact that in either of the cases which we have illustrated above, whether the duty is high or low, it does not affect or benefit any American laborer or cattle grower for one single cent.

Yours, very truly,

JEWELL BELTING COMPANY,
C. E. NEWTON, *Treasurer*.

CUT SOLE LEATHER WORKERS OF CHICAGO, ILL., ASK FOR FREE HIDES AND PROTECTION FOR SHOES AND LEATHER.

CHICAGO, *December 22, 1908.*

Hon. S. E. PAYNE,
*Chairman of Ways and Means Committee,
 House of Representatives, Washington, D. C.*

DEAR SIR: We, the undersigned employees in the cut sole leather factory of Wilder & Co., of Chicago, Ill., do hereby respectfully protest against the removal of the duty on shoes and leather, believing that by such an act the American market would shortly be flooded with medium and low-priced English, German, and French shoes. This would mean the reduction of wages of men in our special line of business.

We respectfully petition your honorable committee for the removal of existing duty on hides, the supply of which in this country is at present insufficient for the industry. In our opinion could the tanners of America secure a larger stock of cheaper sole-leather hides than at present, it would be possible for American shoe manufacturers to convert in time the \$22,000,000 of annual exports, largely of finished upper leather, kid, etc., into shoes for export to foreign nations.

Shoe factories under existing conditions in America operate from eight to ten months each year. The ability, therefore, to better cultivate export business with the help of cheaper raw materials would be of great benefit to the employees of shoe manufacturers and allied industries.

Respectfully submitted.

GEO. D. DAVIS,
 (and 165 others).

HON. A. B. CAPRON, M. C., FILES LETTER OF THE HOLBROOK RAW HIDE COMPANY, PROVIDENCE, R. I., RELATIVE TO PUTTING WATER BUFFALO HIDES ON THE FREE LIST.

WASHINGTON, D. C., *December 23, 1908.*

Hon. SERENO E. PAYNE,
*Chairman Committee on Ways and Means,
 House of Representatives.*

MY DEAR MR. PAYNE: I inclose a letter from the Holbrook Raw Hide Company; of Providence, R. I., urging that hides of the water buffalo be put on the free list. The hides of the water buffalo can not be tanned, and the importers have had to fight their case four times before the appraisers because of the uncertainty in the present tariff concerning them. I also send with this letter a couple of samples of these hides. One sample is in the crude and the other prepared ready for use.

Very respectfully,

A. B. CAPRON.

PROVIDENCE, R. I., *December 12, 1908.*HON. ADIN B. CAPRON, M. C.,
Washington, D. C.

DEAR SIR: We write you to ask your further consideration regarding the question of a tariff on hides of the water or mud buffalo, which are used by us in the manufacture of our goods. We will not attempt to go into detail as to the nature of these hides, as you no doubt are familiar with the character and the uses to which they are put by us, having visited our factory and seen these hides worked, and the product which we are turning out. We would ask you to do what you can for us in obtaining the free entry of these hides. The hides used by us are principally those of the water or mud buffalo from the Straits Settlements. These hides having a coarse texture are of a nature which renders them unfit for tanning, but are peculiarly adapted for our uses in the manufacture of rawhide goods. We are also positive in our statement that the goods which we manufacture can not be made from American cattle hides; that is, to be of any commercial value. This fact we have proven by trying many times to get a satisfactory product, using the hides of American cattle, but were unsuccessful. For these reasons the hides of the water or mud buffalo do not, in our opinion, compete with the American cattle hides, which the tariff, as we understand it, was enacted to protect. We can only say that after having obtained the decisions of record in our favor, as the following summary will show, we feel that a tariff on hides to be just should designate that the water or mud buffalo hides are entitled to free entry.

When the present tariff was enacted it imposed a duty of 15 per cent ad valorem on the hides of cattle, assuming that the water or mud buffalo was not included in the term "cattle." We brought suit in the name of Winter & Smillie, our bankers, to recover the duties paid by us under protest. This case was decided in favor of the Government by the Board of General Appraisers on November 12, 1898. Winter & Smillie then appealed to the United States circuit court. That court, on December 15, 1903, reversed the decision of the board and sustained the claim of the importers. The Government then took an appeal to the circuit court of appeals, which on December 7, 1904, confirmed the ruling of the circuit court, which entitled these hides to be entered free of duty. The same class of hides was decided upon in the spring of 1907 in the case of Baeder, Adamson & Co. v. The United States, suit 4208 (T. D., 28008), adversely to the Government. The Attorney-General advised the department that no further proceedings would be directed in this case and authorized them to forward a certified statement for the refund of the duties. This same class of hides was passed upon by the Board of General Appraisers on September 16, 1908 (the Holbrook Raw Hide Company v. The United States), in favor of the importers. The Government later took an appeal from the decision as rendered.

In view of the testimony presented to obtain these decisions, we feel that we are justified in our request to have these hides admitted free of duty.

Respectfully, yours,

HOLBROOK RAW HIDE COMPANY,
GEO. W. SWEET, *Treasurer.*

THOMAS CORT (INCORPORATED), NEWARK, N. J., FAVORS FREE HIDES AND RETENTION OF DUTIES ON SHOES.

NEWARK, N. J., *December 24, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We beg to inclose copy of the letter sent to Mr. William L. Terhune, of the Boot and Shoe Recorder Publishing Company, Boston, Mass., in response to a letter asking us the following questions:

1. Do you favor the removal of the duty on hides?
2. How do you think this would affect your business?
3. Are you in favor of the removal of the duty on shoes?
4. How do you think this would affect your business?
5. If the duty on shoes were removed, would it affect the wages of your employees?

The points that we covered are to our best knowledge and belief absolutely correct.

Yours, very truly,

THOS. CORT (INC.),
GEORGE TONKIN, *President,*
Shoe Manufacturers.

NEWARK, N. J., *December 24, 1908.*

MR. WILLIAM L. TERHUNE,
The Boot and Shoe Recorder Publishing Company,
Boston, Mass.

DEAR SIR: In answer to your letter of December 14 we beg to state that on the first impulse we are inclined to feel that there should be no duty on hides, for the simple reason that we seem unable to produce in this country enough hides to work our leather industries to full advantage. That being the case, it will undoubtedly work out to the general manufacturers' and employees' good without harming materially our farmers and cattlemen.

There are also some leathers, such as French calf and patent calf of high grades, that we do not seem for some reason to get the qualities in this country that are necessary, which is probably due to the climate conditions, and they should be free. Up to this point it would probably give us a little advantage and profits, which every shoe manufacturer in this country concedes is too small to allow us to get the best results. In that case it would probably help business somewhat.

In answer to No. 3, would state that we are emphatically in favor of the duty remaining on shoes. We think it would very seriously upset business; if not for the first year, soon after. In that case the employees will suffer as well as the owners.

There is one particular point that offsets all of the points that are covered in the proposed tariff revision of shoes and leather, and that is simply this: The condition of the present situation is distinctly and positively to the advantage of the manufacturers and employees. As the case now stands, we are privileged to import all of the leather that we may desire in case we wish to make shoes and export them, and the Government will return our duties. This puts us on the same ground that the foreigner occupies as regards to cheapness of stock, and gives the United States the whip hand in distributing her surplus.

To remove all protection on shoes, giving the foreign countries an invitation to cater to our customers with no adequate return from

them, would mean a lack of business foresight, and not in keeping with the reciprocity ideas of the late Hon. James G. Blaine.

The condition of the shoe business in 1906 and the spring of 1907 was so healthy that the world at large was called upon for shoemakers to fill our orders, and every indication now points to the same condition in 1909. By 1910 the problem will be still greater, but we feel that a business condition that brings people to our country is far better than inviting foreign manufacturers to compete for our customers. The fact that they are not now doing it does not by any means convince us that if the right talent should decide to open factories in countries where labor is cheap, that they would not soon become very formidable competitors.

Yours, very truly,

THOS. CORT (INCORPORATED),
GEORGE TONKIN, *President*.

**SHOE MANUFACTURERS OF PORTSMOUTH, OHIO, ADVOCATE THE
REMOVAL OF THE DUTY FROM HIDES.**

MILWAUKEE, *January 4, 1909.*

HON. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: Inclosed please find resolutions passed by the shoe manufacturers of the city of Portsmouth, Ohio, November 24, 1908. Through an error in addressing the envelope these resolutions have never reached you, and have been returned.

Will you kindly have them incorporated in the tariff hearings?

Yours, very truly,

AUGUST VOGEL,
Of Executive Committee, National Association of Tanners.

At a meeting of the shoe manufacturers of the city of Portsmouth, Ohio, November 24, 1908, the following resolutions were passed:

Whereas we are unanimously in accord with the argument set forth by the representatives of the tanning industries, shoe manufacturers, and kindred industries of Cincinnati, Ohio, addressed to the honorable Ways and Means Committee of the National House of Representatives, in favor of the restoration of hides to the free list; and

Whereas the supply of raw hides produced in the United States is not sufficient for the demand, and is fast getting under the control of the meat packers in the business of tanning, tending to deprive the independent tanners from their opportunity of securing raw hides at a figure at which they can compete for the domestic trade, which competition is essential to the interest of all industries using leather as a raw material, and to the consumer himself; be it

Resolved, That in our opinion the tariff on hides should be removed in order to correct the inequalities which now exist and which will tend to grow; and be it

Resolved, That a copy of these resolutions be forwarded for presentation to the honorable Ways and Means Committee of the National House of Representatives.

THE EXCELSIOR SHOE CO.,
JNO. E. WILLIAMS, *General Manager.*
THE SELBY SHOE CO.,
P. E. SELBY, *Vice President.*
THE IRVING DREW CO.,
IRVING DREW, *President.*
THE LLOYD-ADAMS CO.,
R. L. LLOYD, *Treasurer.*

S. H. COWAN, FORT WORTH, TEX., SUBMITS ADDITIONAL REASONS WHY HIDES SHOULD NOT BE RETURNED TO FREE LIST.

FORT WORTH, TEX., *January 14, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I wish to present in opposition to "free hides," in addition to what I have heretofore presented:

1. The difference in cost of shoes and leather here and abroad is very small; hence a mere reduction of duty on leather and shoes will not reduce prices to the consumer, therefore would not justify putting hides on the free list to benefit consumers, as is adroitly proposed.

2. Shoe dealers—even retailers—are asking for "free hides." What benefit would accrue to them from free hides if leather is protected? The explanation of their action is that leather and shoe men have combined against the live-stock producers to get hides on the free list and to retain the tariff on their own products. They have established a press agency, or publicity bureau, at Chicago and are carrying on a campaign through the newspapers and otherwise for "free hides," falsely asserting that the tariff is of no benefit to the farmer. Those leather and shoe men who came before you assenting to the removal of the duty on shoes and leather afterwards took it back. They now say "give us a tariff, but don't give it to the stock raiser."

3. The profits of the retailers are from 25 to 75 per cent above the factory cost. Yet they clamor for free hides, which would affect the cost not over 1 per cent or 2 cents per pair on shoes, and deprive the producer of hides of the little tariff that he has, on the false pretense of love for the consumers, who pay these prices. How can 2 cents per pair change the retail prices of shoes?

4. Removal of the duty on hides and not on leather and shoes will not cheapen leather and shoes. It would simply legislate the hide tariff, as an item in the price, into the pockets of the leather and shoe men. Hence their combine. Don't the manufacturers and retailers agree on retail prices? Don't they thus destroy competition and violate the law? Shall these men dictate the tariff?

5. While we oppose the removal of the duty on leather and shoes or hides, yet if you do take it off hides, against which we strongly protest, justice demands as compensation that you take it off leather and shoes.

6. The cost of producing hides here is much more than 15 per cent above the cost of production in South America or Mexico. If the difference in the cost of production be properly considered for the manufacturer, as the shoe men claim, why is it not equally so for the stock raiser and farmer?

7. They say the packers benefit by the tariff on hides; grant it; the producer gets a share of it, often all of it. Leather and shoe men benefit from the tariff on their product. Is the tariff to be a matter of favoritism for the protection of some and punishment of others? That is their proposition.

This is our only means of answering the flood of literature from the leather publicity bureau, and we ask you to consider these points and do justice.

Very respectfully, yours,

S. H. COWAN,

Attorney for American National Live Stock Association and Cattle Raisers Association of Texas.

JANNEY & BURROUGH, PHILADELPHIA, PA., THINK DUTY SHOULD BE RETAINED ON HIDES, LEATHER, AND SHOES.

220-230 WOOD STREET,
Philadelphia, February 11, 1909.

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: We respectfully solicit your further consideration concerning the duties on hides, tanning materials, leather, and shoes.

Several months ago, we were cordially invited by a number of our trade to join in an effort to have the duty removed from hides. We declined to accept on the ground that we could not consistently do so, being strong believers in a good tariff, both for revenue and protection.

Until now, we have presented nothing for the consideration of your committee, but so much having been said by others with which we can not concur, and which we feel may give you a wrong impression, we now wish to go on record as being heartily in sympathy with you in your efforts to so regulate the tariff that it will amply protect our American industries, produce ample revenue for our Government, and afford the best opportunity to our whole people to buy American-made products at as low a price as is possible, consistent with good quality and well-paid labor.

While we have all our means, amounting to several hundred thousand dollars, invested in the business of tanning heavy hides into sole leather, and are just as much in need of making a living as the gentlemen you have heard from, we would emphasize our belief that it would be far better that no change whatever be made in the duty on hides and extracts than allow any lowering whatever in the duty on leather and shoes. We would rather see the duties on hides and extracts as they are and the duty on leather doubled, rather than to sacrifice any of the duty on leather and shoes. We have now in our country tanning capacity in excess both of the supply of hides and the home demand for sole leather.

REGARDING THE DUTY ON HIDES.

The best possible protection to the industry of raising cattle, with the view of increasing the country's supply of both beef and hides, will, we believe, be productive of the most good to the tanners and shoe manufacturers, and help to make our country independent in time of war and at all times.

How much of the duty collected from hides imported is returned on leather which is exported we do not know, but the presence of a duty on the imported hides makes it an object for the tanner of these hides to export the leather made from them and get the rebate. If this incentive did not exist, we think that more of this leather might be sold here at home, which might be somewhat to the advantage of the American shoe manufacturer and his export trade.

REGARDING THE DUTY ON TANNING EXTRACTS.

The most important tanning extract imported is the extract of quebracho, from the Argentine. We have no quebracho in this country, but it is very valuable to our tanners, as it possesses rare qualities not to be found in any other extract. The domestic-made extract from the chestnut wood, which is largely made here, is not so useful for tanning sole leather without being blended with the quebracho. If the duty on Argentine-made quebracho was made prohibitive, we think it would be a decided disadvantage, not only to our tanning trade but to the manufacturers of domestic extracts as well, and believe that the present duty of one-half cent per pound is about the most that the tanners can afford to stand.

REGARDING THE DUTY ON LEATHER.

We have the finest market in the world, and yet we have had certainly no famine in leather under the Dingley tariff. Even with the talk of a shortage in the supply of hides, we can not remember the time when there was not plenty of leather to keep the shoe factories going and still leave some for sale. Would the country run any risk in placing the duty so high as to make it impossible for the foreigners to send us their sole leather? We do not need it or want it, and why should we wish to see any sole leather imported? We know that sole leather has been imported under the present tariff of 20 per cent, and it is certain that much more might be imported with a lower tariff. We fail to see the force of any argument which fixes the duty on leather at just enough to equalize the cost of manufacture here and abroad, while we can and do now make all we need at home, and also export it largely.

The most aggressive foreign countries with whom we have to compete have a prohibitive duty on leather, but have free hides and free tanning materials, and labor at starvation wages.

REGARDING THE DUTY ON SHOES.

Since this agitation has come up we have talked with a number of the largest and most able shoe manufacturers and shoe jobbers in this country, who deeply regret the fact that a prominent "free-trader" shoe manufacturer advocated no duty on leather and shoes before your committee in Washington. We believe that if a vote of the shoe manufacturers and shoe jobbers could be taken that the result would show a large majority in favor of rigidly maintaining the present duties, both on leather and shoes. Is it not true that more shoes have been exported under the Dingley tariff than ever before?

We respectfully recommend for your careful consideration copies of letters, herewith attached, written by Howes Brothers Company, Boston, and A. Klipstein & Co., New York.

Respectfully submitted.

Yours, very truly,

JANNEY & BURROUGH,
Dealers in Sole Leather.

BOSTON, MASS., *December 18, 1908.*

Mr. JOHN E. WILDER,

*General Secretary National Association of Tanners,
Chicago, Ill.*

DEAR SIR: We are in receipt of your favor of the 16th instant, and wish to thank you for sending us copy of the "Hearing before the Ways and Means Committee," in reference to the removal of duty on hides and leather.

We can not cooperate with your association as we do not agree with the majority of your executive committee, that argued before the Ways and Means Committee, at which time they stated clearly and distinctly "that in order to have the duty taken off of hides they would be willing to have leather go on the free list."

Our ideas as well as the interests which we represent are exactly the reverse; that is to say, we believe it is better for the leather trade generally to leave the tariff just as it is, rather than sacrificing the duty on leather.

Our opinion is based not on sentiment, but actual knowledge, as to the quantity of sole leather that could be imported with a 20 per cent duty, and we fully realize how much more would be imported under a 10 per cent duty and no duty at all. We should be glad to learn how the majority of your leave the tariff just at it is, rather than sacrificing the duty on leather. hides and leather on the free list over the present condition.

Your association must not confound a scarcity of hides the world over with monopoly. The removal of the tariff is not going to produce any more hides in any section of this broad universe.

Yours, very truly,

(Signed)

HOWES BROTHERS COMPANY.

DECEMBER 15, 1908.

Mr. A. D. BROWN,

*President Hamilton-Brown Shoe Company,
St. Louis, Mo.*

DEAR SIR: President Hadley, of Yale University, in his address before the Presbyterian Union of Albany, December 10, stated "American labor has deteriorated in efficiency in the last thirty years," and attributes this condition, among other things, to careless training and habits of workmen and the restraint placed upon them by unions.

England is the only important country in the world that does not place a protective duty on leather and shoes. Leather can be made in England very much cheaper than in this country, owing to low-cost labor, nondutiable tanning materials, etc., but owing to the fact that it has been the dumping ground of the surplus of the world, the tanning business has gradually decreased in proportion to the population during the last twenty years, as capital has not received a fair return on its investment.

The shoe manufacturing industry is placed in exactly the same position as that of leather, low cost labor, the masters of their business figuring their profits almost on the basis of individual day laborers, and have enabled them to produce a \$2.50 shoe at about 40 cents per pair less than American manufacturers can duplicate the same wearing value.

One of our prominent shoe manufacturers has just investigated this condition thoroughly with the view of establishing American stores in England, and has returned with the shoes, costs of making, and compared them with his own costs, and finds this difference, which in his estimation is too much to overcome and develop a growing demand for the American shoe.

This is not a condition to warrant the statement made by some of our shoe manufacturers and leather men that "they can compete with the world even if the duty is removed from shoes and leather." Instead, we are of the opinion

that our home markets would be invaded to an alarming extent, and we consider this very serious question should be thought over carefully before taking any such stand.

Trusting your large and able corporation will use their influence to impress upon the American shoe and leather merchants the vital importance of protection to our industries and laboring men, we remain

Yours, very truly,

(Signed)

HOWES BROTHERS COMPANY.

NEW YORK, *January 19, 1909.*

PHILADELPHIA LEATHER COMPANY,
Philadelphia, Pa.

GENTLEMEN: We have your letter of January 18, and have booked your order for a carload of quebracho, for shipment from the S. S. *Hypocria*.

It is too early yet to predict with any certainty the probable market price on quebracho during even the next six to twelve months. Very large sales of South American extract have been made in Europe, especially Russia, and the floating supply of South American quebracho has been reduced to a minimum by this new source of consumption, viz, Russia.

Spot quebracho to-day is worth 4 cents per pound. Very little if any is being offered over this year.

Relative to making a contract with you for three to five years after expiration of your present contract in October next, would say that at the present time it would be very inexpedient to refer any such proposition to the South American manufacturers; furthermore, we are not making any prices over the last six months of this year until the new tariff bill is passed, as it is uncertain whether or not they will increase the duty on quebracho to 1½ cents per pound. The domestic manufacturers of chestnut and the domestic manufacturers of quebracho are conducting a vigorous campaign with the object in view of having the new tariff bill include quebracho solid at 1½ cents per pound. This, of course, would render the importation of the solid extract practically prohibitive, and no one would profit by the increased tariff except the domestic manufacturers.

Our views on quebracho are that the duty should be left where it is, at one-half cent per pound, or at the most reduced to one-fourth cent per pound; for we believe that the Government is badly in need of revenue, and if you eliminate the duty entirely the Government will receive no benefit from the increased importation and consumption of tanning extracts, whereas if the duty is put to one-fourth cent per pound it will yield an enormous revenue for the Government and will be less of a burden on the tanner than the present duty of one-half cent per pound.

Just as soon as the tariff agitation assumes some definite shape regarding duty on quebracho, we shall take up the matter with you, as to your requirements of quebracho after the expiration of your present contract.

Yours, very truly,

(Signed)

A. KLIPSTEIN & Co.,
Tanning Material Department,
E. J. HALEY, *Manager.*

FINISHED LEATHERS.

[Paragraph 438.]

WINSLOW BROS. & SMITH CO., BOSTON, MASS., THINK THE DUTY ON FINISHED LEATHERS SHOULD BE UNDISTURBED.

248 SUMMER STREET,
Boston, Mass., December 30, 1908.

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

DEAR SIR: With reference to that part of the schedule referring to "leathers and manufacturers of," we would respectfully call the

attention of your committee to the following figures furnished us by the customs department here in Boston, showing the importations of leathers wholly or partly tanned during the years 1906 and 1907, under the provisions of paragraph 438 of the present tariff:

1906:	
Banding and belting or sole leather.....	\$70, 685
Calfskins, tanned or untanned.....	634, 284
Skins for morocco.....	3, 146, 516
Upper leathers, dressed, and skins dressed and finished.....	3, 378, 080
	<hr/>
	7, 229, 565

1907:	
Banding and belting or sole leather.....	57, 168
Calfskins, tanned or untanned.....	490, 836
Skins for morocco.....	2, 907, 468
Upper leathers, dressed, and skins dressed and finished.....	3, 796, 389
	<hr/>
	7, 251, 861

We know from our own experience that there is a considerable amount of foreign competition on finished sheepskins, and that a lower duty would mean a very considerable increase in these importations with the result that the sheepskin tanners, instead of importing their skins raw and tanning them here, would have to either curtail their operations or reduce all their expenses including labor to a basis that would enable them to compete with England and continental tanners.

The conditions now existing among the tanners of hides, which can be substantiated very easily by their testimony, are such that they are making a very strenuous appeal for free hides, because the margin between raw hides with a duty and the price that they are able to get for their finished leather does not admit of a fair profit with a fair wage to their help. It is easy to see that if the price of the foreign manufactured products which come into competition with theirs is correspondingly lowered by a reduction in duty, they gain no benefit by getting rid of the duty on hides and would be as badly off as before.

Consequently, we think that the leather tanners may fairly ask that the duty on finished leather be undisturbed, and we would offer this recommendation to the committee, especially as we believe that the importations under the present tariff, as shown by the foregoing figures, are of sufficient volume to show that the present tariff is not prohibitive.

Very truly, yours,

WINSLOW BROS. & SMITH CO.,
Manufacturers of Sheep, Calf, and Goat Leather, etc.
 EDMUND W. SEARS, *Treasurer.*

LEATHER AND SHOES.

[Paragraph 438.]

**THE PRESIDENT OF THE NATIONAL ASSOCIATION OF TANNERS
WISHES DUTIES RETAINED ON LEATHERS AND SHOES.**PHILADELPHIA, *December 3, 1908.*

HON. SERENO PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: The writer, as a member of the executive committee of the National Association of Tanners, was present on Saturday last at the hearing in favor of a repeal of the duty on hides. The tanners appreciate the very fair and full hearing of their claim.

The subject of free leather and free shoes was incidentally brought into the issue. Protection primarily, as we understand it, is to foster the American industries and thus provide revenue for the Government as well as to give labor steady employment at good wages. Should leather and shoes be put on the free list, it will result in making this country a dumping ground for the surplus foreign stock, which leather is conceded to be inferior to the American product. Shoes, likewise, of low grade will compete with the American manufacturers, and the result will be to depress our American labor to the level of the pauperized labor of Europe. We believe that the competition of American shoe factories will be quite sufficient, as it always has been, to cause shoes to be sold at the very smallest margin of profit consistent with the quality. With free hides, leather will likewise be tanned and marketed here at the very lowest possible cost, so that to add leather and shoes to the free list would result in serious complications without consequent advantages.

We sincerely trust, therefore, that the duty on leather will be retained at least 10 to 15 per cent, and that shoes will remain subject to the same duties as now exist.

Appreciating the very fair spirit manifested by the committee toward the tanners, we believe you will give this whole subject your very careful consideration and decide for the best interests of the country at large.

Yours, very respectfully,

T. E. McVITTY,
President National Association of Tanners.

**NEW ENGLAND SHOE AND LEATHER ASSOCIATION, OF BOSTON,
PROTESTS AGAINST ABOLITION OF DUTY ON SHOES.**BOSTON, MASS., *December 3, 1908.*

HON. SERENO PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: It has been repeatedly stated by the local press since the hearing on the hide and leather schedules held before your committee on November 28 that the tanners and shoe manufacturers present would not object to the removal of the duty on leather and

shoes if hides and tanning materials could be admitted free. As such articles seem to be based on the statements made by our representatives before your committee, we think it perhaps wise that they should be corrected, and that the attitude of the members of our association should be made clear.

The feeling of the tanners in regard to the duty on leather was correctly expressed by Mr. Vogel, of Milwaukee, who stated that the tanners were willing to return to the conditions existing before the passage of the present tariff bill; that is, if free hides and free tanning material were granted them they would not object to a reduction of the duty on leather one-half, leaving it at 10 per cent ad valorem, as it had been previous to the passage of the tariff of 1897. It is a fact that can easily be established that the reduction of the duty below this amount, while it would not affect certain special kinds of leather which could hold their own in competition with the world, as stated by some of our representatives, it would admit into this country large quantities of various other styles of leather which are now made cheaper abroad than they can be made in this country, and to a considerable extent production in this country would be necessarily curtailed and less labor employed in consequence.

In regard to the duty on shoes, it is certainly true, as stated by one of our representatives before your committee, that the labor cost in Europe at this time is less than in this country. This fact, taken in connection with the lower cost of many other materials, such as webbing, elastic goring, and other various trimmings, would, if the duty on shoes were entirely removed, make it easy for enterprising wholesalers in this country to import largely foreign-made shoes. This is true on all grades, except possibly the highest grade of ladies' shoes, on which they do not appear at this time to have that advantage. On the lower grades of workmen's shoes, where the questions of style and fit are of no considerable importance, their advantage in cost is more marked, and these shoes would be imported largely but for the tariff. It is our opinion, however, that a tariff of 10 per cent on shoes would be the lowest rate which would afford reasonable protection for most classes of footwear made of leather; on some classes of canvas shoes and ladies' shoes and slippers of an ornamental style made from leather, felt, or woven or embroidered fabrics the present 25 per cent should be maintained, as these classes of goods are much more cheaply produced in several foreign countries than they can be produced here.

As stated by our representatives, it is the desire of this trade throughout the country—and in this statement we believe we speak for all of the associations of manufacturers and merchants in our line of business—that no more protection shall be accorded than is absolutely necessary to protect the rate of wages now paid the American shoe and leather worker, it being well known that this rate of wages is about the highest paid to any class of American mechanics engaged in any of the prominent industries, and our trade without exception agree, I believe, that the figures we have named above are the lowest rates which would prevent the displacement of American-made goods by those of foreign manufacture.

Yours, respectfully,

CHAS. C. HOYT, *President.*
GEO. C. HOUGHTON, *Secretary.*

SOLE LEATHER.

[Paragraph 438.]

A. F. SCHENKELBERGER, OF QUINCY, MASS., RECOMMENDS FREE SOLE LEATHER AND FREE FOREIGN HIDES.45 GOFFE STREET,
*Quincy, Mass., November 16, 1908.*HON. S. W. McCALL, M. C.,
Washington, D. C.

DEAR SIR: I want to put in a plea for the boot and shoe manufacturers and shoe wearers of the United States in behalf of free sole leather and free hides, of course.

The beef packers have been and are the chief beneficiaries of the hide duty. If they now lose the hide duty they will still reap the same protective benefit under the leather duty, because they have acquired large interests, if not control, in the United States Leather Company—Central Leather Company.

The economical reason for free sole leather is that it is raw material to the shoe manufacturers, and the total labor cost in making sole leather does not exceed 5 or 6 per cent, and very little skilled labor is used in making it.

Upper leather—kid, calfskins, etc., known as “finished leather”—perhaps needs some protection, but not over 10 per cent. The labor cost is somewhat greater than in sole leather.

When the sole-leather tanners come before your committee, ask them what the total labor cost in tanning sole leather is. If they put it higher than 6 per cent you can disprove it by figures on file in the government departments.

Besides that the big sole-leather tanners have been making unfair and illegitimate profits by adulterating with glucose, barytes, etc. Doctor Wiley, government chemist, can give you facts and figures on this point.

The consumer is entitled to buy shoes, harnesses, etc., at the lowest possible prices, and it is not fair or right to tax him for the benefit of the sole-leather beef trust, especially with a 20 per cent duty on sole leather, when the total labor cost in making it is only 5 or 6 per cent.

Yours, very truly,

A. F. SCHENKELBERGER.

HOWES BROS. CO., OF BOSTON, MASS., URGES RETENTION OF THE EXISTING DUTY ON ALL SOLE LEATHERS.BOSTON, MASS., *December 3, 1908.*MR. SERENO E. PAYNE,
Chairman of Ways and Means Committee.

DEAR SIR: Representing the largest individual sole-leather tanning interests in this country, we wish to give you the following reasons why the duty should not be removed from sole leather:

The cost of tanning, amounting to approximately 25 per cent of the total cost of the finished product, may be subdivided into three items, viz: Tanning materials, labor, and sundries.

Dealing with tanning materials first, we find that the forests producing tanning materials are rapidly being depleted to such an extent that to-day the sole-leather industry imports from foreign countries fully 50 per cent of its material; one-half of this is quebracho, on which there is a duty of one-half cent a pound. The percentage of imported tanning material will each year increase until fully 90 per cent of the tanning material will be imported. The labor item which figures 20 per cent of the cost of tanning is each year increasing, and although our workmen have but 25 per cent more efficiency, they receive 75 per cent more than is paid to European workmen.

Sundries, which include oils, acids, fuel, etc., carry a high duty and amount to approximately 18 per cent of the total cost of tanning. We therefore find, first, an increasing quantity of tanning materials being imported, on one-half of which duty is being paid; second, labor receiving 75 per cent more than received by foreign labor; third, sundries, all of which carry a duty to protect American industry.

In addition to this our plants are built with American machinery, material, and labor, which increases the cost of our plants at least 30 per cent over the plants of like capacity in Europe, which, as a rental value, must be included in addition to the cost of tanning.

With the duty removed on sole leather we are not in a position to compete with European tanners, who have free hides, tanning material, and low-cost labor, and we will become the dumping ground for outside tanning interests, which would result in a decline in the American sole-leather tanning industry.

Canada, with its bark-producing forests and lower labor costs, would enter our market and injure our industry to a great extent. That country now ships annually to England 40 per cent of what they produce, and have utilized large quantities of tanning material in this way at little or no profit to themselves.

Therefore in order to maintain our present industry it is necessary that we should receive protection to at least the amount of the duties which we are obligated to pay on the materials entering into the cost of manufacture and to cover the increased wages paid to American workmen, as well as the increased rental value of our more costly plants, and also a protection against foreign countries dumping their surplus into this market who are themselves protected by a prohibitive tariff on all kinds of sole leather and are able to further reduce their costs by increased production, knowing that they can sell their surplus at cost to this country. There are, no doubt, tanners who believe that with hide duties removed the sole leather industry would flourish even with duties on leather removed. These gentlemen are no doubt honest in their opinion, but sadly at fault in their judgment.

We challenge them to demonstrate how they can compete with foreign tanning interests, which use free raw materials and pay less than \$1 per day labor, and continue to pay duties on imported tanning material as well as maintain the present wage scale of the American workmen.

Yours, very truly,

HOWES BROS. Co.

**THE PROCTOR ELLISON COMPANY, BOSTON, MASS., CLAIMS THAT
A DUTY ON SOLE LEATHER IS NECESSARY.**

BOSTON, *December 3, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We judge from the articles which have appeared recently in some of our Boston newspapers that the committee of which you are chairman is under the impression that it is satisfactory to the leather trade of this country to have leather put on the free list provided the duty is removed from hides.

As far as we are concerned this is entirely wrong, as we feel that it would be a hardship to the leather business and cause a large curtailment in the making of leather in this country if leather should be free. If leather was entirely free there would be so much foreign leather imported that our business would be seriously injured. Canada and British America have immense forests, and are in a position to manufacture and ship vast quantities of leather into this country.

We are one of the largest firms of tanners of sole leather in the United States, and write you the above as our personal opinion after many years of experience. We are confident that it is the opinion of nearly all, if not all, those who are engaged in our business. If hides were made free it would take away the present control of our hide market by the packers, and we can continue our business and profitably employ the skilled labor now engaged in this important line of manufacture.

If at any time we can give you any information, or render you any service whatever, it would give us great pleasure to do so.

Yours, very truly,

PROCTOR ELLISON COMPANY,
HENRY H. PROCTOR, *President.*

**J. W. & A. P. HOWARD & CO., OF CORRY, PA., CLAIM THAT SOLE
LEATHER NEEDS TARIFF PROTECTION.**

CORRY, PA., *January 5, 1909.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We understand that some makers of leather, in their effort to have the duty removed from hides, have gone to the extreme of stating that they would not be averse to having leather and shoes free of duty. There are few, if any, tanners of sole leather to-day who have ever done business without a duty on leather, and consequently they have no experience on which to base their theory of being able to continue business under present conditions without a duty on leather.

We can speak only from conditions in our own line of production—sole leather; but we are convinced and believe that your committee

can be convinced that the removal of duty on sole leather would make the United States the "dumping ground" of English and continental tanneries. Even if we were to have free hides and free tanning materials we could not compete with the foreign tanners on account of the wide difference in wages. For example, beam hands in our establishment earn \$12 to \$15 per week; the German beam hand earns 25 marks (about \$5). We believe you and your committee will agree with us that no American should be asked to work for such wages. So far as we are concerned we should prefer to wind up our business rather than to be compelled to put men on a starvation basis.

We believe and feel that the tariff on hides is contrary to the principle of protection. Hides are not only raw material, but a by-product, and the only labor put on them is that necessary to preserve them from decay between the time they are taken off the animal and the time they reach the tannery.

The domestic tanner is considerably handicapped by the fact that all his raw material is taxed—hides as well as tanning extracts—the importation of the latter having increased many fold in the past few years, owing to the gradual exhaustion of domestic supplies. However, notwithstanding this handicap, which it would be very desirable to have removed, it would be far preferable to operate under existing conditions, which enable our leather manufacturers to pay living wages, than to operate under conditions which, from all the data obtainable at present, would blight the American tanning industry.

So far as the question of efficiency of the workmen is concerned, we have evidence as to the comparison in the fact that we have recently taken on two German beam hands, who not only do fully as much work as the other men in that department, but their work is rather better done.

We hope you will give this matter the consideration that it deserves at your hands, and remain,

Respectfully, yours,

J. W. & A. P. HOWARD & Co. (Limited),
Tanners of sole leather.
 J. J. DESMOND, *Treasurer.*

CALFSKINS.

[Paragraph 438.]

**J. J. LATTEMANN SHOE MANUFACTURING CO., NEW YORK CITY,
 THINKS DUTY ON JAPANED CALFSKINS EXCESSIVE.**

NEW YORK, N. Y., *November 13, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: We take the liberty of making an appeal to you for ourselves and on behalf of other manufacturers concerning a matter that we understand will soon come before your committee for attention.

We refer to the duties on japanned calfskins, commonly known as patent leather, and now paying from 35 to 40 per cent ad valorem

according to weight. We regard this high rate of duty as being excessive, uncalled for, and entailing a burden on consumers of shoes that has no advantage as an equivalent.

Manufacturers in this country of similar goods have tried for years to produce an article that would successfully compete with imported patent leather or take its place in the market, and so far as our knowledge goes there is nothing that can be obtained in this country that will serve the same purpose. Therefore the tax as at present seems unreasonable.

We respectfully solicit your attention to this important matter and earnestly hope that your efforts will be directed toward an adjustment of the tariff on this particular item.

Yours, very truly,

J. J. LATTEMANN SHOE MANUFACTURING CO.

HON. J. S. SHERMAN, M. C., SUBMITS LETTER OF THE BARNET LEATHER COMPANY, NEW YORK CITY.

WASHINGTON, D. C., *December 7, 1908.*

HON. S. E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives.*

MY DEAR MR. PAYNE: I beg to inclose you letter, herewith, with reference to the tariff on leather, which I commend to your consideration. The gentleman who writes knows whereof he speaks.

Sincerely, yours,

J. S. SHERMAN.

NEW YORK, *December 4, 1908.*

HON. JAS. S. SHERMAN,

Washington, D. C.

SIR: The writer wishes to inform you as to the importance of not having the duty removed from finished calf leathers of all kinds, for the reason that it is impossible to compete with the German and French tanners, on account of the difference of wages.

As it is, with the 20 per cent duty, quite some leather is imported, as the shoe manufacturers find it to their advantage to buy it, whereas if the duty is lowered this country would be flooded with French and German production, and the result will be either the lowering of the wages or a curtailing of production.

You can readily see the importance of maintaining the duty of 20 per cent.

I hope you will give this matter your favorable consideration for the benefit of United States industries. As the writer understands it, the shoe manufacturers and tanners who testified before the Ways and Means Committee want hides admitted free of duty (of which we also are in favor), and to make a compromise they agreed to reduce the duty on calf and other kinds of leather. This of course would be unjust.

With the writer's best regards,

Very truly, yours,

BARNET LEATHER COMPANY,
M. S. BARNET, *President.*

**FRED RUEPING LEATHER CO., MILWAUKEE, WIS., DEPRECATES
ANY REDUCTION IN DUTY ON FINISHED CALFSKINS.**

MILWAUKEE, WIS., *December 12, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.*

DEAR SIR: In order that your committee may understand the effect that a protective duty has on the calfskin tanning industry of this country and the necessity for its continuance, we would submit the following facts:

This industry represents an annual production of between forty and fifty million dollars. The product is largely of chrome tannage, a method originating in this country, and up to about two years ago we had a very considerable export business in calf leathers.

Foreign manufacturers, particularly those of Germany, have gradually improved their product and are now manufacturing leather equal in every respect to any made in this country. The result has been that they have secured the larger part of our export trade for the reason that they have sold equally as good leather at from 10 to 15 per cent less than the prices we could make. Any reduction in tariff that would enable them to place their product on our home market on the same basis would be a severe blow to our industry.

Finished calfskins are sold on the basis of price per square foot, and Germany and France have a protective duty based on a rate per pound equivalent to about 2 cents per square foot, or about 12 per cent.

The reasons that enable them to make the lower prices are obvious.

First. About 70 per cent of the calfskins tanned in this country are imported from Europe and brought in free of duty. The foreign manufacturer buying in his home market at first hand has a distinct advantage. The price of domestic skins is governed by the price at which foreign skins can be delivered in our market.

The freight we pay from the interior to the foreign seaport is more than equal to the average freight he pays to his tannery, and all further freight charges are to us an additional expense. The rates paid carrying from different shipping points and at different times are from 15 to 50 cents a hundred, averaging about 25 cents. The additional expense of freight from our place of import, of course, varies with the locality of the tannery.

Our purchases are of necessity made through commission houses or through dealers, the average cost of purchase being 3 per cent, which together with 1 per cent, consisting of freights, marine insurance, consular fees, etc., makes a 4 per cent additional cost to us on our raw material over the cost to the foreign manufacturer.

Second. Materials: Practically all of the tanning materials entering into our product are subject to duty, while all these materials are obtained without duty by our foreign competitors.

The following is a list of tanning materials which most largely are employed in manufacture and the percentage of duty based on the market prices of to-day:

	Percentage of duties.
Quebracho, extract, duty one-half cent a pound	11. 11
Sumac extract, duty five-eighths cent a pound	16. 66
Degras, duty one-half cent a pound.....	20. 00

Percentage of duties.

Sumac, duty \$6.72 a ton.....	9. 08
Tartaric acid crystals, duty 7 cents a pound	25. 00
Lactic acid, duty 3 cents a pound	85. 71
Alum, powdered, duty one-half cent a pound	28. 57
Alumina, sulphate, duty one-half cent a pound	27. 77
Blue vitriol, duty one-half cent a pound.....	10. 00
Ammonia, 22 degrees.....	25. 00
Copperas, duty one-fourth cent a pound	33. 33
Hæmatin, duty seven-eighths cent a pound.....	7. 29
Hyposulphite of soda, duty one-half cent a pound	35. 71
Logwood extracts, duty seven-eighths cent a pound	12. 59
Potash, bichromate, duty 3 cents a pound	47. 06
Soda, bichromate, duty 2 cents a pound	32. 94
Aniline colors.....	30. 00
Sulphuric acid, duty one-fourth cent a pound	27. 72

Figuring on the tanning materials on the basis of the relative amounts of each kind consumed in actual manufacture, the percentage of cost averages fully 25 per cent against us on account of duties.

Third. Labor: Of all the conditions existing in manufacture under which we are at a disadvantage this is of the most vital importance. To meet the labor conditions in the foreign factories would be a serious blow to thousands of American workmen. Viewed from the point of manufacturing, it would be impossible to compete with other industries and obtain labor at anything like the prices paid in the European tanneries.

From information obtained from the best sources, the existing cost of labor in European tanneries is 50 per cent less than the cost in American tanneries. This information has been carefully gathered from foreign tanners and from laborers in this country who have recently worked in tanneries abroad. This difference of 50 per cent does not mean the difference in a day's pay, but the actual difference in cost of the leather produced for a day's pay.

In addition to the costs of production mentioned, there is a material difference in cost and maintenance of plants as well as a considerable difference in land values.

Following is a table of cost which has been made up on the following basis.

The raw calfskin cost is based upon the average cost for the past ten years.

The labor, tanning materials, and other expenses are based upon the actual cost of these items to a representative tannery running continuously for eighteen months.

[Cost per square foot.]

Average cost of raw calfskins for the past ten years, including freight and buying charges, \$0.12, equals 73.98 per cent (A) of total cost of \$0.1622 per square foot.

Labor (based as above stated), \$0.019276, equals 11.89 per cent (B) of total cost of \$0.1622 per square foot.

Tanning materials (based as above stated), \$0.013842, equals 8.53 per cent (C) of total cost of \$0.1622 per square foot.

Other expenses (based as above stated), \$0.009082, equals 5.60 per cent of total cost of \$0.1622 per square foot.

Total cost per foot on this basis, \$0.1622, equals 100 per cent of total cost of \$0.1622 per square foot.

ADVANTAGE TO FOREIGN CALFSKIN MANUFACTURERS.

[Freight and buying charges included in cost of raw calfskins.]

Four per cent of above 73.98 per cent (A) equals 2.96 per cent of total cost of \$0.1622 per square foot.

Labor, 50 per cent of above 11.89 per cent (B) equals 5.95 per cent of total cost of \$0.1622 per square foot.

Tanning materials, 25 per cent of above 8.53 per cent (C) equals 2.13 per cent of total cost of \$0.1622 per square foot.

Total advantage to foreign calfskin manufacturers equals 11.04 per cent of total cost of \$0.1622 per square foot.

In consideration of the above facts, we believe that any reduction in the duty on finished calfskins would result in serious injury to our industry.

Respectfully submitted.

FRED. RUEPING LEATHER CO.,
By F. J. RUEPING, *Treasurer.*
(*Tanners of 5,000 calfskins per day.*)

**AMERICAN MANUFACTURERS OF FINISHED CALFSKINS ASK
THAT THERE BE NO REDUCTION OF DUTY.**

BOSTON, MASS., *December 12, 1908.*

HON. SERENO E. PAYNE,

Chairman of the Ways and Means Committee.

Washington, D. C.

DEAR SIR: In order that your committee may understand the effect that a protective duty has on the calfskin tanning industry of this country and the necessity for its continuance, we would submit the following facts:

This industry represents an annual production of between \$40,000,000 and \$50,000,000. The product is largely of chrome tannage, a method originating in this country, and up to about two years ago we had a very considerable export business in calf leathers.

Foreign manufacturers, particularly those of Germany, have gradually improved their product and are now manufacturing leather equal in every respect to any made in this country. The result has been that they have secured the larger part of our export trade, for the reason that they have sold equally as good leather at from 10 to 15 per cent less than the prices we could make. Any reduction in tariff that would enable them to place their product on our home market on the same basis would be a severe blow to our industry.

Finished calfskins are sold on the basis of price per square foot, and Germany and France have a protective duty based on a rate per pound equivalent to about 2 cents per square foot, or about 12 per cent.

The reasons that enable them to make the lower prices are obvious.

First. About 70 per cent of the calfskins tanned in this country are imported from Europe and brought in free of duty. The foreign manufacturer, buying in his home market at first hand, has a distinct advantage. The price of domestic skins is governed by the price at which foreign skins can be delivered in our market.

The freight we pay from the interior to the foreign seaport is more than equal to the average freight he pays to his tannery, and all

further freight charges are to us an additional expense. The rates paid, varying from different shipping points and at different times, are from 15 to 50 cents a hundred, averaging about 25 cents. The additional expense of freight from our place of import, of course, varies with the locality of the tannery.

Our purchases are of necessity made through commission houses or through dealers, the average cost of purchase being 3 per cent, which, together with 1 per cent, consisting of freights, marine insurance, consular fees, etc., makes a 4 per cent additional cost to us on our raw material over the cost to the foreign manufacturer.

Second. Materials: Practically all of the tanning materials entering into our product are subject to duty, while all these materials are obtained without duty by our foreign competitors. The following is a list of tanning materials which most largely are employed in manufacture and the percentage of duty based on the market prices of to-day:

	Percentage of duties.
Quebracho, extract, duty one-half cent a pound.....	11.11
Sumac, extract, duty five-eighths cent a pound.....	16.66
Degras, duty one-half cent a pound.....	20
Sumac, duty \$6.72 a ton.....	9.08
Tartaric acid crystals, duty 7 cents a pound.....	25
Lactic acid, duty 3 cents a pound.....	85.71
Alum, powdered, duty one-half cent a pound.....	28.57
Alumina, sulphate, duty one-half cent a pound.....	27.77
Ammonia, 22°.....	25
Blue vitriol, duty one-half cent a pound.....	10
Copperas, duty one-fourth cent a pound.....	33.33
Hæmatin, duty seven-eighths cent a pound.....	7.29
Hyposulphite of soda, duty one-half cent a pound.....	35.71
Logwood extracts, duty seven-eighths cent a pound.....	12.59
Potash, bichromate, duty 3 cents a pound.....	27
Soda, bichromate, duty 2 cents a pound.....	32.94
Aniline colors.....	30
Sulphuric acid, duty one-fourth cent a pound.....	27.72

Figuring on the tanning materials used on the basis of the relative amounts of each kind consumed in actual manufacture, the percentage of cost averages fully 25 per cent against us on account of duties.

Third. Labor: Of all the conditions existing in manufacture under which we are at a disadvantage, this is of the most vital importance. To meet the labor conditions in the foreign factories would be a serious blow to thousands of American workmen. Viewed from the point of manufacturing, it would be impossible to compete with other industries and obtain labor at anything like the prices paid in the European tanneries.

From information obtained from the best sources the existing cost of labor in European tanneries is 50 per cent less than the cost in American tanneries. This information has been carefully gathered from foreign tanners and from laborers in this country who have recently worked in tanneries abroad. This difference of 50 per cent does not mean the difference in a day's pay, but the actual difference in cost of the leather produced for a day's pay.

In addition to the costs of production mentioned, there is a material difference in cost and maintenance of plants, as well as a considerable difference in land values.

Following is a table of cost, which has been made up on the following basis.

The raw calfskin cost is based upon the average cost for the past ten years.

The labor, tanning materials, and other expenses are based upon the actual cost of these items to a representative tannery running continuously for eighteen months:

.. [Cost per square foot.]

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Total cost per foot on this basis, \$0.1622, equals 100 per cent of total cost of \$0.1622 per square foot.

ADVANTAGE TO FOREIGN CALFSKIN MANUFACTURER.

[Freight and buying charges included in cost of raw calfskins.]

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Tanning materials, 25 per cent of above 8.53 per cent (C) equals 2.13 per cent of total cost of \$0.1622 per square foot.

Total advantage to foreign calfskin manufacturers equals 11.04 per cent of total cost of \$0.1622 per square foot.

In consideration of the above facts, we believe that any reduction in the duty on finished calfskins would result in serious injury to our industry.

If any further information or explanation is required, we shall be glad to have representatives appear before your committee if you will send notification to that effect to the calfskin tanners, care of New England Shoe and Leather Association, 166 Essex street, Boston, Mass.

Respectfully submitted.

Creese & Cook Company, Danversport, Mass.; Barnet Leather Company, Little Falls, N. Y.; The Ohio Leather Company, Girard, Ohio; Hunt-Rankin Leather Company, Peabody, Mass.; Weber Leather Company, West Lynn, Mass.; Grey-Clark-Engle Company, C. D. Kepner, treasurer, Berlin, Mass.; Dahl & Eilers Leather Company, H. Dahl, president, Woburn, Mass.; Carl E. Schmidt & Co., Detroit, Mich.; E. C. Mills Leather Company, by E. C. Mills, president, Boston, Mass.; Thomas Hide and Leather Company, by E. C. Mills, vice-president, Middleville, N. Y.; The Vaughn Calfskin Company, George C. Vaughn, president, Peabody, Mass.; Columbia Leather Company, N. A. Spalding, treasurer; Lennox & Briggs, Haverhill, Mass.; F. E. Cottle Company, by Chas. B. Brum, treasurer, Salem, Mass.; B. D. Eisendrath Tanning

Company, Racine, Wis.; Monarch Leather Company, Chicago-Boston; I. Agoos & Co., Boston; Eisen-drath, Schwab & Co., Chicago-Boston; Fred Reufing Leather Company, Milwaukee-Fond du Lac, Wis.; A. F. Gordon, Boston; Lynch Brothers Leather Com-pany, Boston-Salem; J. S. Barnet & Sons (Inc.), Lucius J. Barnet, secretary, Lynn, Mass; Albert Trostel & Sons, by R. U. Puffer, manager, Mil-waukee, Wis.; Mills Brothers, Gloversville, N. Y.; Geo. F. Troutwine & Co., Gloversville, N. Y.; Amer-ican Hide and Leather Company, by C. P. Hall, vice-president; Lucius Beebe & Sons; Ayer Tanning Com-pany of Ayer, Mass.; Decien Beebe, treasurer; Beck with & Hiteman Brothers, West Winfield, N. Y.; Traugett Schmidt & Sons, per Albert H. Schmidt, treasurer, Detroit, Mich.; Muller Brothers, Cam-bridge, Mass.; Levor & New, factory, Gloversville, N. Y.; Thomas Garnar & Co., factories, Brooklyn, N. Y., Malone, N. Y.; Thos. Harbury Company, 68-82 Am-sterdam street, Newark, N. J.; R. Neumann & Co., Hoboken, N. J.; Geo. F. Werner & Son, Jersey City, N. J.; Kaufherr & Co., Newark, N. J.; The Ferdinand Goetz Sons Company, by Thos. F. Harty, manager, Reading, Pa.; John P. Keefe Leather Com-pany, P. J. Lynch, treasurer; The Carr Leather Com-pany, Salem, Mass.; Donohue Brothers Leather Company, Lynn, Mass.; The Excel Leather Company (Inc.), R. F. Keith, president.

**MILWAUKEE (WIS.) MANUFACTURERS OF CALFSKINS PROTEST
AGAINST REMOVAL OF PRESENT DUTY.**

MILWAUKEE, WIS., *December 14, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In order that your committee may understand the effect that a protective duty has on the calfskin-tanning industry of this country and the necessity for its continuance, we would submit the following facts:

This industry represents an annual production of between forty and fifty million dollars. The product is largely of chrome tannage, a method originating in this country, and up to about two years ago we had a very considerable export business in calf leathers.

Foreign manufacturers, particularly those of Germany have grad-ually improved their product and are now manufacturing leather equal in every respect to any made in this country. The result has been that they have secured the larger part of our export trade for the reason that they have sold equally as good leather at from 10 to 15 per cent less than the prices we could make. Any reduction in tariff that would enable them to place their product on our home market on the same basis would be a severe blow to our industry.

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The reasons that enable them to make the lower prices are obvious.

First. About 70 per cent of the calfskins tanned in this country are imported from Europe and brought in free of duty. The foreign manufacturer buying in his home market at first hand has a distinct advantage. The price of domestic skins is governed by the price at which foreign skins can be delivered in our market.

The freight we pay from the interior to the foreign seaport is more than equal to the average freight he pays to his tannery, and all further freight charges are to us an additional expense. The rates paid, varying from different shipping points and at different times, are from 15 to 50 cents a hundred, averaging about 25 cents. The additional expense of freight from our place of import, of course, varies with the locality of the tannery.

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Lactic acid, duty 3 cents a pound.....	85. 71
Alum, powdered, duty one-half cent a pound.....	28. 57
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Ammonia, 22°.....	25. 00
Blue vitriol, duty one-half cent a pound.....	10. 00
Copperas, duty one-fourth cent a pound.....	33. 33
Hæmatin, duty seven-eighths cent a pound.....	7. 29
Hyposulphite of soda, duty one-half cent a pound.....	35. 71
Logwood extracts, duty seven-eighths cent a pound.....	12. 59
Potash, bichromate, duty 3 cents a pound.....	27. 06
Soda, bichromate, duty 2 cents a pound.....	32. 94
Aniline colors.....	30. 00
Sulphuric acid, duty one-fourth cent a pound.....	27. 72

Figuring on the tanning materials on the basis of the relative amounts of each kind consumed in actual manufacture, the percentage of cost averages fully 25 per cent against us on account of duties.

Third. Labor: Of all the conditions existing in manufacture under which we are at a disadvantage, this is of the most vital importance. To meet the labor conditions in the foreign factories would be a serious blow to thousands of American workmen. Viewed from the point of manufacturing, it would be impossible to compete with other industries and obtain labor at anything like the prices paid in the European tanneries.

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[Cost per square foot.]

Average cost of raw calfskins for the past ten years, including freight and buying charges, \$0.12, = 73.98 per cent (A) of total cost of \$0.1622 per square foot.

Labor (based as above stated), \$0.019276, = 11.89 per cent (B) of total cost of \$0.1622 per square foot.

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Total cost per foot on this basis, \$0.1622, = 100 per cent of total cost of \$0.1622 per square foot.

ADVANTAGE TO FOREIGN CALFSKIN MANUFACTURER.

[Freight and buying charges included in cost of raw calfskins.]

Four per cent of above 73.98 per cent (A), = 2.96 per cent of total cost of \$0.1622 per square foot.

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Tanning materials, 25 per cent of above 8.53 per cent (C), = 2.13 per cent of total cost of \$0.1622 per square foot.

Total advantage to foreign calfskin manufacturers, = 11.04 per cent of total cost of \$0.1622 per square foot.

In consideration of the above facts, we believe that any reduction in the duty on finished calfskins would result in serious injury to our industry.

Respectfully submitted.

National Association of Tanners, by Fred Vogel, jr., president; Albert Trosdel & Sons; A. D. Gallun & Sons; Geo. Martin Leather Co.; Pfister & Vogel Leather Co., by Aug. H. Vogel, Secy.; Eisendrath, Schwab & Co., Chicago, H. J. Eisendrath, Secy.; The Ginis Pflieger Tanning Co., Chicago and Cincinnati. T. S. Keirnan, Gen. Mgr.; A. D. Eisendrath Tan'g Co., Racine, Wis., A. D. Eisendrath; Monarch Leather Co., Chicago, per Carl W. Eisendrath.

Submitted by F. C. Allen, 212 Lake street, Chicago, for the calfskin tanners.

**LYNCH BROTHERS LEATHER CO., SALEM, MASS., CLAIMS THAT
PRESENT DUTIES ARE NECESSARY ON CALFSKINS.**

SALEM, MASS., *December 26, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

DEAR MR. PAYNE: We take this opportunity of calling your attention to the matter of "duty on tanned calfskins, paragraph 438, Schedule N." In reference to this we wish to say that we are very much interested in the bill now before the Ways and Means Committee in regard to the tariff on calfskins, because, if calfskins should come in here free, we do not see what we would have to do in our plants in future. A lot of our money is locked up in plants and machinery and fixtures for same, to carry on that line of business, and if calfskins should come into this country free we do not see where we would have any show to continue in this line of work, as Germany would certainly get the bulk of the business, they being able to get a long day's work from their employees, very few restrictions, and help at about 50 per cent less than we have in this country.

About 65 per cent of all the calfskins used in this country come from abroad, principally from Russia, Germany, Austria, and the surrounding provinces. Now, this being near their home market, they get the first chance to pass on the raw goods, and this, with the materials free which they use for the manufacture of these goods, would enable them to make leather very much cheaper than we can here in this country.

If calfskins were to come in here free, it certainly would throw thousands out of employment and would bring ruin to our line of business.

The same thing would be true in regard to our near neighbors, Canada. They have low labor, and long days, and could therefore make calf and send it across the line, thus making serious inroads into our line of business.

For these reasons we would request you to do all in your power to defeat any bill allowing finished calfskins to come into this country free. We hope that you will do all that you can to offset a thing which would be such a grave injury to manufacturers in this country.

Wishing to thank you for any assistance which you may be able to give us, we are,

Yours, very respectfully, LYNCH BROTHERS LEATHER CO.

**HON. A. P. GARDNER, M. C., FILES LETTER OF THE COLUMBIA
LEATHER COMPANY, BOSTON, MASS., RELATIVE TO FINISHED
CALFSKINS AND SIDE LEATHER.**

JANUARY 5, 1908.

HON. SERENO E. PAYNE,
*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

MY DEAR SIR: I beg to inclose herewith a letter from Mr. F. R. Spalding, of the Columbia Leather Company, of 43 South street, Boston, Mass., manufacturers of glazed kid and leather specialties, protesting against a reduction in the duty on finished upper and side leather.

Very respectfully.

A. P. GARDNER.

BOSTON, MASS., *January 2, 1909.*

HON. AUGUSTUS P. GARDNER, M. C.,
Washington, D. C.

DEAR SIR: I am writing as a voter from your district, and also presuming a slight acquaintance with you, with reference to the business in which I am very vitally interested, namely, finished calfskins and side leathers. As we understand that there is a very persistent rumor around the Ways and Means Committee room to the effect that the new tariff bill will not only put hides on the free list, but provide for a very substantial reduction in the duty on finished leather, and believing that you would have considerable influence as representing our district if you felt, as I think the majority of the leather manufacturers do, that this will be a great detriment to our business, and also knowing that you are acquainted with Mr. Longworth, and I presume a number of others of the committee, am writing to give you our point of view. As you may know, raw calfskins come in free of duty, as also do goatskins, as by far the greater proportion of both these skins are obtained from foreign countries, and you probably are more familiar than I am with the demand for free hides.

We feel that this idea of materially reducing the tariff on finished calfskins, patent leathers, and side leathers would be a very serious blow to our business, as the German manufacturers, as you may know, operate in a very large way and are producing some very beautiful leathers, and get their labor on a very much lower basis than we do here. We have never been able to compete with the German finished calfskins and side leathers in the English market, and if we should open this market we feel that we would have very serious competition.

We were given a hearing before the committee a week ago, and had an appointment for 9 o'clock in the morning with a chance to present our case, but the committee did not get around to us until 9 o'clock at night, when they were all tired out, and we did not have a good fair chance to present our arguments. We are preparing some further arguments to show our side of the matter, and I will forward it to you just as soon as it is ready, which will be probably the middle of next week. Meantime, if there is anything you can do for us, it would be greatly appreciated.

Very truly,

COLUMBIA LEATHER Co.,
F. R. SPALDING.

GLOVE LEATHER.

[Paragraph 438.]

THE GLOVE-LEATHER MANUFACTURERS OF FULTON COUNTY, N. Y., FILE BRIEFS, WITH AFFIDAVITS.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

WASHINGTON, D. C., *December 22, 1908.*

GENTLEMEN: Paragraph 438 of the Dingley Act classifies glove leather together with belting leather, sole leather, and leathers dressed for shoe purposes, like calfskins, kangaroo, and goat skins.

We protest against such classification. Glove leather requires an utterly different tannage, different handling, and is an utterly different character of leather from the others, because such leathers are required to be firm and nonelastic, while glove leathers must be fine, supple, and elastic. American tanners have adopted machinery to do the work in manipulating these other leathers, while glove-leather dressing must be done entirely by hand.

Belting leather, sole leather, and shoe leather is exported in large quantities and imported only in smallest quantities. Glove leather, for the manufacture of fine gloves, is imported in enormous quantities, and there is no export whatever of American-dressed glove leathers, except of one kind, which is a peculiar American invention and product.

The reason machinery is not at all adapted for use on glove leather is that each skin for gloves must be treated in relation to its peculiar nature, with a view to producing the perfect surface and the supple pliability required in the manufacture of gloves. Hand labor is the largest element of expense in the dressing of glove leathers, and such labor is paid fully double in the United States as in the glove-dressing centers of Europe.

The lowest grade of labor in the United States is paid from \$10.50 to \$12 per week, while similar labor in Germany is paid from \$3.75 to \$5 per week, with \$4.50 as a fair average; and many women are employed, while none are employed in the United States. The higher grades of labor in Europe are paid from \$4 to \$5.71 per week, while in the United States such labor receives from \$12 to \$15 per week, doing exactly the same work.

Affidavits accompanying this petition show that leather dressers who have come to this country to better their condition receive the following wages:

Country.	Wages paid.	United States.
Italy	\$4. 61	\$12. 00
France	5. 24	12. 00
France	7. 20	13. 20
Austria	4. 80	12. 00
Germany	4. 56	13. 00
Germany	5. 47	13. 50
Germany	3. 57	12. 00
Italy	3. 60	12. 00

In addition to the handicap of at least 60 per cent additional wages, the American tanner of leather must pay some small amount of duty on his various tanning and coloring ingredients.

The Dingley rate of 20 per cent on glove leather amounts to from \$1 to \$3 per dozen skins, while the difference in the labor cost alone between the United States and Europe amounts to from \$2 to \$2.50 per dozen skins, and of course the expense of doing business, rent, heat, and expenses of management are at least 25 cents per dozen skins of greater cost in the United States than in Europe.

While 80 per cent of the fine glove leather used for men's gloves is now imported, the American glove-leather dresser has demonstrated that he can manufacture as fine leather as the European leather dresser, and, if properly protected, will be able to produce at least 50

per cent of the fine leather used in the glove business in this country in less than three years, and will ultimately be able to control the business. Any reduction in the present duty on glove leathers will entirely destroy this growing industry, now giving employment to 2,000 men, and which bids fair within three years to give employment to 5,000 men.

The process of dressing Abyssinian and Arabian sheepskins into a soft velvety leather with the grain surface removed was an American invention. This glove leather was so desirable that it was exported in quantities to Europe until European manufacturers learned the process, then the export ceased, simply for the reason that because of the labor cost the American dresser could not compete with the European.

A great handicap to the American dresser is the duty he pays on lambskins and sheepskins imported from Europe with the wool on, for such skins are the raw material of his business and compel him to restrict his operations to skins which have only a small amount of wool.

Glove leathers are mainly dressed in alum, which is unsuitable for shoe or other leathers, and we earnestly appeal that a new classification be made of glove leathers only, and that no matter what the result of your conclusions may be in reference to shoe leathers, glove leathers must be protected or else the industry can not be continued in the United States.

Littauer Brothers, James W. Filmer, Edgar W. Starr, S. H. Shotwell & Son, Maylender Bros. Co., Darius Filmer, Rogers & Smith, Schoellkopf & Co. (P. S. L.), Wood & Hyde Co., Fear & White, Eli Cool, Mocha Dressing Co., Adams & Co., Thomas Burke & Co., Miller, Argersinger & Co., James S. Neff, R. Burke, A. M. Adams & Son, Charles King, John H. Stockamre, The O. Geisler Leather Dressing Co., O. Geisler, Pres.; Hall & Johns, H. R. Braett, J. G. & T. Robinson.

EXHIBIT A.

Kid leather dressing—Glance.

	United States.	Europe.
	<i>Per dozen.</i>	<i>Per dozen.</i>
Soaking, liming, puring, bran drenching, tanning	\$1.20	\$0.50
Seasoning, breaking, first staking .....	.75	.30
Washing, egging, coloring .....	.60	.37
Second staking, dopping, and finishing .....	.75	.48
<i>Materials.</i>	3.30	1.65
Lime, arsenic, pure, bran, salt, alum, flour, egg, and coloring materials .....	.75	.50
Rent and heat .....	.20	.10
Expense of management .....	.70	.25
	4.95	2.50

EXHIBIT B.

Dressing of Arabian mocha.

	United States.	Europe.
	<i>Per dozen.</i>	<i>Per dozen.</i>
Soaking, unhairing, fleshing, and friezing.....	\$0.45	\$0.16
Scudding, drenching, tanning, and hanging up.....	.60	.20
Taking down, seasoning, and stocking.....	.10	.02
First and second knee staking, arm staking.....	.30	.14
Preparing for finishing and finishing.....	.20	.10
Preparing for coloring and coloring.....	.40	.12
Finishing in color on wheel.....	.15	.08
Last staking.....	.13	.09
Blocking and finishing.....	.15	.08
<i>Materials.</i>	2.48	.99
Lime, pure, bran, salt, alum, flour, egg, and coloring materials.....	.50	.22
Rent and heat.....	.20	.07
Expense of management.....	.50	.16
	3.68	1.44

EXHIBIT C.

Analysis of wage scale as shown by affidavits.

Manufacturer.	Wages per week.	Wages per week in United States.
Max Damm, Germany.....	19 marks (\$4.56).....	\$10 to \$13.
	27 francs (\$5.24).....	\$12.
A. Blache, France.....	1 franc per dozen, 6 dozen per day, or \$7.20.....	\$13.20.
Italy.....	19 lira (\$4.61).....	\$12.
Austria.....	24 crowns (\$4.80).....	\$12.
Joseph Wengler, Germany: Colorer—		
Berlin.....	20 marks (\$4.76) lowest; 23 marks (\$5.47) highest.....	\$10.50 to \$13.50.
Provincial.....	17 marks (\$4.05) lowest; 20 marks (\$4.76) highest.....	
Tanner.....	15 marks (\$3.57) lowest; 18 marks (\$4.28) highest.....	\$10.50 to \$12.00.
Beam work.....	20 marks (\$4.76) lowest; 24 marks (\$5.71) highest.....	\$13.50.
Coloring boss.....	38 marks (\$9.04) lowest; 45 marks (\$10.71) highest.....	\$30 per week.
Louis Anguile, Italy:		
Beam work.....	60 cents per day.....	\$2 per day.
Knee staking.....	62 cents per day.....	\$1.90 to \$2.15 per day.

JOHNSTOWN, N. Y., November, 24, 1908.

I am born in Rvitzsch, Germany, 1883. I worked in a number of places in Germany as a colorer, and earned at an average 19 marks a week. Since I am in America in two years I earned at coloring from ten to thirteen dollars and am now earning \$20 as first colorer.

MAX DAMM.

Subscribed and sworn to before me this 27th day of August, 1908.

[SEAL.]

MABEL TODD,
Notary Public for Fulton County, N. Y.

JOHNSTOWN, November 27, 1908.

I am born to Annonay, France, in 1853. I worked in France, Italy, and Austria as leather manufacturer. I paid the beam men in France 24 to 27 francs by week, the knee stakers 90 centimes to 1 franc by dozen. In Italy I paid beam men 18 to 21

lire by week, the knee stakers like in France. In Austria I paid beam men 24 crowns by week, the knee stakers like in France.

A. BLACHE.

Subscribed and sworn to before me this 27th day of November, 1908.

[SEAL.]

MABEL TODD,
Notary Public for Fulton County, N. Y.

Joseph Wengler, of Berlin, Germany, now of Johnstown, N. Y., being duly sworn, deposes and states that he is a glove leather colorer and dresser, and that he has learned his trade in Germany, and that the weekly wages earned by him as a colorer was at the rate of 20 to 23 marks per week in Berlin and 17 to 20 marks in provincial towns. As a worker in tannery it was 15 to 18 marks per week and 20 to 24 marks as a beam worker.

As advanced to a coloring boss, he earned from 38 to 45 marks per week. In comparison to these earnings in Germany, he has been engaged, upon his arrival in this country, as a coloring boss for the weekly wages of \$30, and that as such he had to make out the pay roll for the workers in the coloring shop, which wages were as follows: One dollar and seventy-five to two dollars and twenty-five cents per day, averaging \$12 per week, knee-stakers earn from \$12 to \$13 per week, tannery workers from \$10.50 to \$12, and beam workers for the same number of working hours per week \$13.50.

Sworn before me this 27th day of November, 1908.

JOSEPH WENGLER.

Subscribed and sworn to before me this 27th day of November, 1908.

[SEAL.]

MABEL TODD,
Notary Public for Fulton County, N. Y.

GLOVERSVILLE, N. Y., November 27, 1908.

Louis Augulie, of Gloversville, N. Y., being duly sworn, deposes and says that he worked in Milan, Italy, for the usual wages in the leather mills, which were, on the beam, 60 cents per day; knee staking, 62 cents per day.

While in America he has worked on the beam, and earned \$2 a day; knee staking, earned \$1.90 to \$2.15 per day.

LOUIS AUGULIE.

Sworn and subscribed to before me this 27th day of November, 1908.

[SEAL.]

MABEL TODD,
Notary Public for Fulton County.

GLOVERSVILLE, N. Y., November 27, 1908.

Edgar W. Starr, of Gloversville, N. Y., being duly sworn deposes and says that the average wages paid in his factory during the past month are the following:

	Per day.
Beam hands.....	\$2.36
Suede wheel.....	2.00
Buck tails.....	2.30
Beam-house helps.....	1.87½
Coloring department.....	1.87½
Knee stake.....	2.08
Arm stake.....	2.44

EDGAR W. STARR.

Sworn and subscribed to before me this 27th day of November, 1908.

[SEAL.]

MABEL TODD,
Notary Public.

CHAMOIS AND PARCHMENT.

[Paragraph 438.]

THE DRUEDING BROTHERS, PHILADELPHIA, PA., ASK PRESENT PROTECTION FOR THEIR PRODUCTS.PHILADELPHIA, *November 28, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: When your committee reaches the leather schedule we beg to submit for your consideration our views as manufacturers of chamois leather, skivers, hatter's leather, and other sheep leathers.

Our company is now manufacturing some of these leathers successfully under the present tariff rate of 20 per cent ad valorem. This rate of duty places us practically on an equal basis with foreign manufacturers and is about enough to equalize the difference in cost of labor. We fear that if duty is removed or lowered these goods can not be manufactured here profitably, the only reason being the lower cost of labor in European countries. We therefore respectfully request your committee to fix rate of duty on chamois leather and sheep leathers same as before, 20 per cent ad valorem.

Parchment.—Our company has practically completed experiments with a view of manufacturing this article. It is now on the free list. We are quite sure if this article were placed on the dutiable list, same as other sheep leathers, this article can be profitably manufactured in this country. As long as it is on the free list, however, we do not think that it would pay to manufacture this article here. Our only reason, again, is the difference in cost of labor.

We figure that labor cost in European countries is between 33½ per cent and 50 per cent lower than we pay here for equal labor. If your committee would encourage the manufacture of this article in the United States, we would immediately commence manufacturing parchment. We respectfully request, therefore, that this article be placed on the dutiable list at the rate of 20 per cent ad valorem.

Should your committee require any further information on these subjects, the writer or another officer of our company will make it convenient to meet your committee at any time or place you may name.

Yours, very truly,

DRUEDING BROTHERS COMPANY,
CHAS. C. DRUEDING, *Treasurer.***CHROME AND OAK LEATHERS.**

[Paragraph 438.]

JOHN W. PECHIN, PHILADELPHIA, PA., ASKS ADDITIONAL PROTECTION FOR CHROME AND OAK LEATHERS.PHILADELPHIA, PA., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: I wish to advocate an increase of duty of from 20 to 40 per cent on chrome and oak apron leather, chrome and oak picker

leather, and chrome and oak roller leather, in butt form. Also an increase of from 35 to 50 per cent on oak and chrome roller leather, cut to size, or laps prepared. The same is contained in paragraph 438, letter M—sundries, bands and belting, or dress and other leathers.

Foreign competitors put us to a very great disadvantage, and an increase of duty of from 20 to 40 per cent will put us in a just and fair position to meet them in the open market. As the duty stands now they can sell their finished hides at 15 to 25 per cent less than we can. As an illustration, there are about 30 tanners in England who are tanning these leathers for the worsted manufacturers' use, and send to this country from 60 to 70 per cent of their output. These leathers are used solely on worsted machinery to draw and spin the wool, and on the worsted machinery you allow a protection of 45 per cent; on the worsted yarn about 40 per cent, which is fair and just, but to the tanners of worsted leathers you only allow 20 per cent, which does not allow the American tanner to compete with the foreigner, and for this reason there is very little worsted leather tanned in this country. Seventy-five per cent of the leathers used in the worsted mills in this country are tanned in foreign countries.

Notwithstanding that we are tanners of these leathers, there are times when we are offered leather by the foreign tanners at prices very much below what we can produce same for in this country, and we are obliged to curtail our own output and purchase from them. For example, see Exhibit No. 1, letter from a foreign tanner, quoting prices and making shipment of leather to us at 20 pence per pound (40 cents). Adding duty of 20 per cent makes the cost 48 cents per pound, which is much less than we or any other American tanner could tan the leather for.

Exhibit No. 2 shows bill and prices from foreign tanner on chrome apron butts of 2s. 3d. (54 cents) per foot; with duty of 20 per cent added it would make the cost to us 65 cents per foot.

Exhibit No. 3 shows bill and price to us on oak apron butts of 1s. 10d. (44 cents) per pound. Adding 20 per cent duty makes it cost us 53 cents per pound delivered.

We are unable to tan any of these leathers here at such prices, and we are compelled to buy in the foreign market.

The foreign workmen are paid much less than ours, and this, of course, is a factor in their cheap production. For instance, beams men in an American tannery are paid from \$13.50 to \$15 per week; in England they are lucky to get \$6, and so on through every branch of the trade labor here costs from 40 to 50 per cent more than it does in foreign countries.

These leathers are mineral tanned and we are obliged to pay more for the chemicals than they do. For this process hides are bought in the hair, and they cost them 2 to 3 cents a pound less than it does us. You allow the raw hides a 15 per cent protection, but only allow us 20 per cent on the finished leather.

To prove this to your entire satisfaction—that we are entitled to this increase—we have inclosed bills and letters (Exhibits Nos. 1, 2, 3) showing that we are compelled to close our tanneries at times and buy in the foreign market, as we can purchase the foreign article cheaper than we, as tanners, can produce it, and we must do this in order to compete with the apron manufacturers.

We only ask justice for the American tanner. If you will increase this duty and give the tanners of this country an opportunity to compete with the foreign tanner, you will be encouraging a new business and giving employment to more of our fellow-countrymen, who deserve this protection from cheap labor.

Therefore, we beg that your committee, after considering the facts as above stated, will recommend to Congress the increased duty as follows:

From 20 to 40 per cent duty on oak and chrome and chemical tanned apron butts, and roller leather and picker leather for worsted and woolen machinery.

From 35 to 50 per cent duty on apron leathers, roller leathers, cut or scarfed to size, or laps prepared.

JOHN W. PECHIN.

EXHIBIT A.

LIVERPOOL, *June 29, 1907.*

MR. JOHN W. PECHIN,
Philadelphia.

DEAR SIR: We beg to acknowledge receipt of your order dated 15th instant, and we are obliged for same.

We are making shipment of the 20 bends to sample B, 18 to 20 pounds, at 20 pence (40 cents) per pound, per the steamship *Westernland*, sailing on Wednesday next, July 3.

Regarding sample No. 1, order for 20 bends, 15 to 16 pounds, at 18½ pence (37 cents) per pound, we regret that we are unable to make shipment of the 20 bends of this selection, as our tanners are at present very heavily sold in this weight, and unfortunately are not making many. They have, however, promised to try and supply the 20 bends as ordered, and in the course of a week or so they may be able to let us have them and we will ship them per the first steamer.

Our tanners recommend the No. 2 selection, 15 to 16 pound bends, at 18 pence (36 cents), as being quite equal to the No. 1 selection at 18½ pence (37 cents), and perfectly suitable for the same use, and they make a much larger quantity of the No. 2 selection, and can therefore supply them more promptly.

Yours, very truly,

EVAN LEIGH & SON.

EXHIBIT B

HALIFAX, ENGLAND, *September 17, 1906.*

Mr. J. W. Pechin, Philadelphia, bought of James Lee & Sons.

50 krome butts as below:

56 by 54, 51 by 49, 55 by 55, 56½ by 56, 53 by 53, 52½ by 52, 51½ by 53, 54 by 52, 53 by 50, 56 by 52, 57½ by 57½, 54½ by 55, 57 by 56, 55 by 53, 57 by 58, 55 by 56, 55 by 54, 52½ by 52, 52½ by 54½, 53 by 49½, 53 by 55, 56 by 56, 51½ by 49, 52 by 53, 53 by 52½, 51 by 50½, 54 by 55, 54½ by 55, 53 by 51, 55 by 50, 54 by 54, 58 by 58, 61 by 61, 56 by 57, 56 by 57, 52 by 56, 57 by 56, 50 by 50, 52 by 50, 55 by 52, 54 by 51, 56 by 56, 55 by 55, 52 by 49, 55 by 51, 55 by 49, 54 by 55, 54 by 55, 57 by 59, 56 by 54 (1,015½ square feet), at 2s. 3d.

£. s. d.

114 4 2

	£.	s.	d.
Wrappers.....		5	0
United States tariff fees.....		10	4
		<hr/>	
		114	19 6

Five trusses J. P. 1/5, per steamship *Merion*, sailing the 19th instant.

EXHIBIT C.

HALIFAX, ENGLAND, *August 20, 1907.*

Mr. J. W. Pechin. Bought of James Lee & Sons.

[Duplicate of bill of August 19, 1906, corrected.]

	£.	s.	d.
6 green apron butts, 134½ pounds, at 2 shillings.....	13	8	6
50 krome butts, as follows:			
53 by 49, 59 by 55, 57 by 53, 57 by 52, 54 by 56, 52 by 52, 53 by 54,			
50 by 49, 57 by 54, 56 by 54, 58 by 55, 57 by 55, 56 by 55, 54			
by 53, 52 by 52, 57 by 53, 53 by 51, 56 by 55, 55 by 50, 54 by 52,			
56 by 51, 56 by 53, 53 by 52, 59 by 56, 58 by 55, 56 by 53, 52			
by 50, 56 by 56, 53 by 52, 53 by 52, 54 by 52, 60 by 56, 51 by 51,			
51 by 50, 55 by 53, 61 by 54, 55 by 53, 56 by 52, 59 by 57, 55 by			
53, 51 by 51, 54 by 51, 56 by 53. 52 by 50, 53 by 53, 55 by 52,			
57 by 57, 60 by 56, 53 by 53, 56 by 54. 996½ square feet, at			
2s. 3d.....	112	2	2
Wrappers.....		6	0
United States tariff fees.....		10	4
		<hr/>	
		126	7 0

6 trusses J. P. 1/6, per steamship *Merion*, sailing the 15th instant.

The Pechin Leshner Co. (Limited), Philadelphia. Bought of James Lee & Sons.

	£.	s.	d.
Truss 1, 10 apron butts, 173 pounds; truss 2, 10 apron butts, 179			
pounds; truss 3, 10 apron butts, 160½ pounds; truss 4, 10 apron			
butts, 157 pounds; truss 5, 10 apron butts, 175½ pounds; total,			
845 pounds, at 1s. 10d.....	77	9	2
Wrappers.....		5	0
United States tariff fees.....		10	4
		<hr/>	
		78	4 6

5 trusses P. L. P. 1/5, per steamship *Merion*, sailing the 2d proximo.

PATENT LEATHER.

[Paragraph 438.]

HON. G. E. WALDO, M. C., SUBMITS LETTER OF GEORGE BAKER & SONS, NEW YORK CITY, ASKING FOR A REDUCTION OF THE DUTIES ON PATENT LEATHERS.

NEW YORK, *December 3, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

Washington, D. C.

MY DEAR SIR: Herewith you will find inclosed a letter from Messrs. George Baker & Sons, of Brooklyn, requesting that a reduction of the

duty on patent leathers be had, for the reason that the present 35 and 40 per cent ad valorem is largely prohibitive, there being no American patent leather manufactured which can be used in place of the imported article.

I forward this letter for the consideration of your committee when you reach that schedule.

Yours, very truly,

G. E. WALDO.

BROOKLYN, N. Y., *November 27, 1908.*

HON. GEO. E. WALDO, M. C.,
290 Broadway, New York.

DEAR SIR: We were duly in receipt of yours of the 16th in acknowledgment of our letter of 13th, and we will say that the present rate of duty on patent leather is as follows:

Thirty cents per pound and 20 per cent ad valorem on skins not exceeding 10 pounds per dozen.

Thirty cents per pound and 10 per cent ad valorem on skins over 10 pounds and not exceeding 25 pounds per dozen.

This duty figures 35 to 40 per cent ad valorem and is in a measure prohibitive, and the American patent leather manufacturers do not produce anything which can be used in place of the imported patent calfskins, so on account of the high rate of duty the shoe manufacturers are handicapped, especially so in competing for the foreign market.

We trust this matter will be brought to the attention of the Ways and Means Committee, now holding sessions in Washington, and if the matter of the revision of tariff is brought before the present Congress the patent leather question will be favorably acted upon.

Yours, truly,

GEO. BAKER & SONS.

**AMERICAN MANUFACTURERS OF PATENT LEATHER FOR SHOES
ASK FOR RETENTION OF EXISTING DUTY..**

BOSTON, MASS., *December 14, 1908.*

HON. SERENO E. PAYNE, M. C.,
*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: During the hearings held recently before your honorable committee on the hide schedule certain statements were made by Mr. H. N. Hill, who represented manufacturers of patent leather for carriages and automobiles. Mr. Hill, it is reported, stated that his people would be satisfied with a reduction of the duty on patent leather to 5 per cent in exchange for free hides.

The manufacture of patent leather for shoes is quite different from making carriage and automobile leather, both in the process of manufacture and classes of materials used. The volume of business is many times larger, some of the manufacturers signing this brief alone making yearly more than the 500,000 sides stated by Mr. Hill as being the yearly output of all of the carriage and automobile patent-leather manufacturers.

Fearing that the testimony given by Mr. Hill may have been construed as applying to the manufacture of patent leather for shoes, we respectfully submit this brief.

The method of finishing patent leather for shoes as it is practiced to-day in this country is practically a new thing, the industry being about 10 years old. Our leathers are popular because we have made it possible to make good patent-leather shoes to retail at from \$2 a pair up to the most expensive, while before that time reliable patent-leather shoes were only made in high grades from imported stocks.

Patent leather for shoes is of four kinds: Patent colt, a japanned colt skin; patent kid, a japanned goatskin; patent calf, a japanned calfskin, and patent side leather, a japanned grain of a cowhide. All of these leathers are japanned on the grain.

The American method of japanning makes it necessary to assort the leather in the following grades:

Patent colt, 6 grades, sold at from 15 to 40 cents per square foot.

Patent kid, about 4 grades, sold at from 25 to 40 cents per square foot.

Patent calf, about 4 grades, sold at from 25 to 40 cents per square foot.

Patent side leather, about 4 grades, sold at from 18 to 30 cents per square foot.

It costs as much to manufacture the low grades of each of these leathers as the high grades; hence the tanner loses money on the low grades and makes money on the high. It is therefore necessary to maintain an average selling price above the average cost. It is quite apparent, then, that in order to manufacture the American style of patent leathers at a profit it is necessary to dispose of all our grades at their respective prices.

The assorting into these grades is based on the appearance of the leather only. Low-priced leather will wear as well as the high grades, but it does not look as well. This appearance, then, is the determining factor in grading, and the matter of varying grades is practically the whole meat of this part of the argument, because, while American manufacturers necessarily make both high and low grades, the foreign manufacturers, with their method of japanning, make only high grades.

The reason is that different methods of japanning are employed. Here the japan finish, applied to the grain of the skin, is thin and transparent. Imperfections or coarse grain in any skins or dust imperfections show through, making low grades.

The foreign japan is quite different. Several coats of opaque finish are applied to the flesh side of the skin and any imperfections can be covered up, and to make No. 1 leather it only becomes necessary to apply the coats until a smooth surface has been obtained. About the only factors in making second grades in such leathers are holes in the skin.

We beg to attach to this brief samples of imported patent calf and samples of American patent colt, which will show you the difference in the finish and general characteristics of the leathers. Additional information is attached to the samples.

Foreign patent leathers for shoes are nearly all sold in this country by the dozen, but from a number of shoe manufacturers consulted we learn that foreign patent calf cuts into shoes at prices ranging from

36 to 45 cents per square foot in the different thicknesses trimmed and untrimmed, which includes a weight and ad valorem duty figuring about 30 to 35 per cent on the value.

With the duty removed the same high-grade stock could be sold in this country at prices from 26 to 34 cents per square foot, and this leather would compete with that made in this country and sold at from 26 to 40 cents per square foot. It will be seen at once that this high-grade stock would take the place of the domestic medium and high grades on account of the price, and that the only market left for Americans would be in the low grades, which, as shown above, can not be made at a profit.

Under the present rate of duty patent calf is still being imported and is in competition with the best grades of our leather, and any reduction of the present rate of duty would make the foreign article still stronger competition.

Statistics show that the importation of foreign patent leathers has been decreasing since 1901. This is partly due to the supplanting of the foreign article by the high grades of our own product and partly due to the falling off in the demand for patent leathers owing to changing styles in shoes.

Should foreign patent leathers be imported in large enough quantities, under a reduced tariff, to supplant the American stock, the only possible benefit would be a slight reduction in the expense of vamps in the highest grades of shoes, which, under the system of selling shoes at fixed prices, would not reduce the price to the consumer. The medium-priced shoes could be made no cheaper, while the lower-grade shoes could not be made at all.

The removal of the duty on hides would not benefit the manufacturers of patent colt, patent kid, and patent calf, which are not made from hides.

Taking the cost per foot of producing American patent leathers as a basis, the—

	Per cent.
Cost of labor is.....	49.72
Cost of materials.....	37.56
Manufacturing expense.....	12.72
	100.00

Applying this to the cost of the finished product, the—

	Per cent.
Cost of labor is.....	20.48
Cost of materials.....	15.478
Manufacturing expense.....	5.242
Cost of raw stock.....	58.80
	100.00

From statistics obtainable the price paid for labor in Germany is from 50 to 60 per cent less than paid in America.

The difference between the cost of tanning and finishing materials here and in foreign countries is about 33 per cent.

Applying this to our percentage of cost, it makes a saving to the foreign manufacturer over our cost of about 15 per cent on the finished product.

The difference between freights on raw skins to this country and the freight on the finished product, together with the difference in the matter of general expense and the advantage of being closer to

the source of supply, would easily total 5 per cent, making a net advantage to the foreign manufacturer of 20 per cent as applied to the cost of the finished product.

Taking this difference in cost of production in connection with the advantage to the foreign manufacturer, by reason of his method of finishing, it is obvious that any reduction of the existing duty will place us in a position where we can not compete, as the introduction of the foreign product would make it impossible to market our medium and high grade leather, and being deprived of this outlet we could not manufacture our product except at a loss.

In order to protect our industry, which means the protection of our American labor, it is imperative that the present rate of duty be maintained.

Respectfully submitted.

HARRY I. THAYER, *Chairman.*

C. E. JAGGAR, *Secretary.*

Corona Kid Mfg. Co., B. E. Baker, president; Bristol Patent Leather Co., C. L. Anderson, president; Keystone Leather Co., Chas. A. Reynolds, president; Thayer-Foss Co., H. I. Thayer, president; D. T. Kennedy & Co., Albert Trostel & Sons, Barnet Leather Co., Sig. Rothschild, vice-president; C. J. Matthews Co., R. D. Greene & Co., The Riverside Japannery (Inc.); McCarroll & Co., Lloyd & Richards (Inc.), C. H. Mosley, manager; The Ohio Leather Co., C. B. Rathborn.

Proxies given to C. E. Jagggar, secretary. Signing authorized: American Hide and Leather Co., Van Tassell Leather Co., Harrison Leather Co., Albert Bernard, D. T. Kennedy & Co., Blanchard Bros. & Lane, Thomas A. Kelley & Co., Seton Leather Co., Chester Enameling Co., Hugh Smith (Inc.), American Patent Kid Co., Beckwith Leather Co., Columbia Leather Co., Reliance Leather Co.

Proxies given to C. Q. Adams: Hamburg Cordovan Leather Works, Eclipse Tanning Co.

Proxy given to C. L. Anderson: Superior Patent Leather Co.

STATEMENT OF C. A. REYNOLDS, OF CAMDEN, N. J., ASKING RETENTION OF PRESENT DUTIES ON PATENT LEATHER.

FRIDAY, *December 18, 1908.*

THE CHAIRMAN. Mr. Reynolds, how much time do you want?

MR. REYNOLDS. I will be as brief as I can.

THE CHAIRMAN. Give us some idea of how much time you want.

MR. REYNOLDS. Not over fifteen minutes.

(The witness was here sworn by the chairman.)

MR. REYNOLDS. Mr. Chairman and gentlemen of the committee, I represent the manufacturers of japanned leather. Patent leather for shoes is of four kinds: Patent colt, a japanned colt skin; patent kid, a japanned goatskin; patent calf, a japanned calfskin; and patent side leather, a japanned grain of a cowhide. All of these leathers are japanned on the grain.

What we will endeavor to show is that the present rate of duty under which these leathers are classified should be maintained. There is a duty at present on this class of leather of 30 cents per pound and 20 per cent ad valorem, weighing not over 10 pounds per dozen hides or skins; if weighing over 10 pounds and not over 25 pounds per dozen, 30 cents per pound and 10 per cent ad valorem; if weighing over 25 pounds per dozen, 20 cents per pound and 10 per cent ad valorem. The leathers that are manufactured by us come under that classification, and we ask that this duty or tax be maintained on these leathers. To substantiate that we have made a calculation, and we find that the cost of labor—that is, taking the cost of producing American patent leather—is 49.72 per cent; the cost of material, 37.56 per cent, and the manufacturing expense, 12.72 per cent. Then as applied to the cost of finished product, we find the cost of labor to be 20.48 per cent; the cost of material, 15.47 per cent; the manufacturing expense, 5.24 per cent; and the cost of the raw stock, as applied to the finished product, 58.80 per cent. We find from the best authority obtainable and from my own personal experience that the difference in the cost of labor on the German patent calfskin is about 50 per cent lower than it is in this country, which, as applied to the total cost of our products, would be close to about 10 per cent.

We find also that the articles that enter into the tanning of our American product are dutiable to the extent of about 33 per cent, which as applied to the total cost of the materials which we use would equal another 5 per cent. In addition to that there are incidental expenses, such as freight and other items, that would go to make up another 5 per cent, and we claim that in order to foster this industry, which I may say in the last ten years is practically a new one, having practically grown from nothing to a volume of about \$25,000,000. The imports of the German have been reduced from \$1,270,214, in 1900, to \$229,173, in 1908, showing the growth of this industry under a protective tariff, and we ask that this tariff should be maintained to protect our industry and our American labor.

Mr. UNDERWOOD. How much is the total production of your industry in this country?

Mr. REYNOLDS. From the best information obtainable, about \$25,000,000.

Mr. UNDERWOOD. How much are the importations?

Mr. REYNOLDS. They amount to \$229,173 in this fiscal year.

Mr. UNDERWOOD. Then it is practically a prohibitive tariff now.

Mr. REYNOLDS. No, we do not consider the present rate of tariff prohibitive, for the reason that the German manufacturers are sending into this country to-day japanned calfskins finished on the flesh, which comes in competition with our high-grade goods, and the reason that a greater quantity was not imported is due to the fact that the demand for patent-leather shoes in high grades has gradually fallen off since 1900, owing to the change in style of footwear, the greater demand being for shoes made of fancy colored leathers, and partly due to the fact that we have been able to produce high-grade leather that to some extent supplanted that of the foreign manufacturer.

Mr. UNDERWOOD. But the total importations are less than \$300,000, and the total production is \$25,000,000.

Mr. REYNOLDS. Twenty-five million dollars in the patent shoe leathers.

Mr. UNDERWOOD. That is less than 1 per cent, isn't it?

Mr. REYNOLDS. Yes; that is less than 1 per cent.

Mr. UNDERWOOD. That is prohibitive, isn't it? One per cent can not interfere with you.

Mr. REYNOLDS. That the present rate of duty is not prohibitive, and while the importations have not been as large during the last fiscal year as they were in 1900, the same would be materially increased if the demand for the colored shoes should decrease, and in that event we would again see larger quantities of imported goods coming into this market. Owing to the present protective tariff, the patent leather in this country has grown, the result of which has been the giving of employment to a large number of American workmen, and without this protection the foreign product would come into competition with the higher grades of our leather, and not being able to manufacture the lower grades without the higher, it would naturally deprive us of this outlet, and the result would be that we could not manufacture it at a profit unless we could find a market for all the grades which we make. The result would be the destruction of our American labor in our particular line of trade.

Mr. UNDERWOOD. If you had 75 per cent of the American market, it would not destroy your industry, would it?

Mr. REYNOLDS. Every dozen of leather that comes into this country that is made in Germany takes from our factory that much work.

Mr. UNDERWOOD. Of course there is no question about that. But if you had it fixed so that you could control 75 per cent of this market, it would not destroy your industry, would it?

Mr. REYNOLDS. I think I had better explain to you the nature and character of the leather manufactured by the foreigner as compared with our own.

Mr. UNDERWOOD. But the question I asked you is, If the duty was lowered to about where you would still control about 75 per cent, or the competition was such that you still controlled 75 per cent of the market, your industry would still survive?

Mr. REYNOLDS. No, sir; I do not believe that we could do that, for the reason that the leather that is imported from Germany is that which enters into the high class of shoes. In manufacturing our products we finish our leather entirely on the grain side. On the grades of leather imported into this country it ranges from 45 to 36 cents per foot. That is to say, the leather is sold principally by the dozen, but the shoe manufacturers who use these things give me the figures—about 45 cents per foot. Now, if the duty is removed upon those goods and they are admitted free, it takes from us the high grade. Whatever proportion of that duty is reduced gives the foreigner that much advantage over us, and in our high grades it takes from us the market on our high grades. Those goods are made in grades; that is, our product in the coltskin is made from 15 to 40 cents per foot, in the goatskin 25 to 45 cents per foot, and in the cow sides it runs an average of about 26 cents. Now, on the low grades of leather we can not make a profit, and we must depend on the high grades for our profit. If we are deprived of the market, we are deprived of a profit on our product. The reduction of tariff on patent leather would not result in any advantage to the consumer, for the reason that the

leather imported to-day enters mostly into high-grade shoes, ranging from \$5 to \$8 a pair retail, and the difference in price would be comparatively small; in fact it would not change the price of the shoe to the consumer, as this difference would be divided between the importer, manufacturer, and jobber, so that if there would be any advantage to the consumer at all, it would be in the way of a little better trimming in the shoe or a little more work in the finish of it. Our product furnishes cheap and medium grade of patent-leather shoes, making it possible for the masses to obtain a serviceable patent-leather shoe at a moderate price. If the class of leather manufactured in Germany was the same as our own, this would probably be true, but in their style of finish they apply four or five coats on the flesh side, which is more perfect than the grain, and in applying these coats of finish they are enabled to cover up any imperfection that might be in the skin, while in our style of leather we apply but three coats, two of which are comparatively thin, and the top coat a transparent varnish, which does not cover up the imperfections. The patent leathers manufactured in Germany are sold in this country by the dozen, but from reliable information given us by shoe manufacturers who use those goods we find that the prices per foot range from 36 cents to 45 cents, so that if the present rate of duty was repealed this leather could then be sold to the American manufacturer at prices ranging from 26 cents to 34 cents per foot, and as these grades would come in competition with the higher grades of our product, which range from 30 cents to 40 cents per foot, it is obvious that we could not sell these grades in competition with the imported leather, and being deprived of the outlet for these particular grades it would be impossible for us to manufacture the other grades except at a loss, which would mean the destruction of our business.

Mr. UNDERWOOD. There is no importation, and the duty as at present prohibits it, and you are not making a profit on leather because of the competition among yourselves.

Mr. REYNOLDS. The competition among ourselves is so keen there is no opportunity of our making an excessive profit.

Mr. UNDERWOOD. You do not expect to make an excessive profit out of the American people.

Mr. REYNOLDS. No.

Mr. UNDERWOOD. Are you making a legitimate profit out of it now?

Mr. REYNOLDS. Yes; we are.

Mr. UNDERWOOD. That is all you are entitled to.

Mr. REYNOLDS. Yes, sir.

Mr. UNDERWOOD. Then you have nothing to complain of about the low grades.

Mr. REYNOLDS. The point I desire to make is, if the present duty is not maintained, and the foreign leather admitted into this country free, it would take from the American factories not only the amount of leather in dozens that come in, but for every dozen of imported it would take from us ten dozen or more on account of the great variation in range of price of our goods.

Mr. UNDERWOOD. But in silks and woollens and cotton and iron and steel a certain amount of goods is allowed to come here, and you think your industry alone ought to have from the Government a monopolistic tariff, do you? You have a prohibitive tariff that you insist should remain as it is. Do you think it is right

for the American Congress to give you an exclusive tariff, which is not given to the ordinary manufacturers?

Mr. REYNOLDS. All I claim is this, that the amount of leather that was brought into this country in 1900 was \$1,270,000, and this industry of the American patent leather is a new industry, and we have supplied a leather grading from 15 to 40 cents that has taken the place of the foreign article. We have done that under this protective tariff, without which the German comes in.

The CHAIRMAN. You get your hides free, do you not?

Mr. REYNOLDS. No, sir.

The CHAIRMAN. They are imported free, aren't they?

Mr. REYNOLDS. No; they are not all imported free. There is a duty on hides that are over 25 pounds, on cowhides.

The CHAIRMAN. But you are talking about hides weighing over 25 pounds per dozen, hides and skins. There are very few of those.

Mr. REYNOLDS. Yes; the percentage is small.

The CHAIRMAN. Which hides generally come in free?

Mr. REYNOLDS. Yes, sir.

The CHAIRMAN. The hides are prepared and then an application of 4 or 5 coats of varnish to complete the job. Which side of the hides do you put the varnish on?

Mr. REYNOLDS. On the grain side.

The CHAIRMAN. There was some one here the other day pretending that the only competition they had really was a cheap morocco hide that was coated on the inside instead of the outside.

Mr. REYNOLDS. Ours is on the grain side, which is the outside.

The CHAIRMAN. Some man made the claim of that, and that was the only way they are coming into the market, because they are coated on the outside instead of the inside, and it costs less to prepare the hides in that mode. Do you agree with that?

Mr. REYNOLDS. I do not know what it costs to prepare and coat the German article.

The CHAIRMAN. You say that 48 or 49 per cent of the cost is labor?

Mr. REYNOLDS. Yes, sir.

The CHAIRMAN. The coating of these hides and the varnishing is not high-class labor and not very expensive. How much—

Mr. REYNOLDS. They make about \$15 or \$16 a week.

The CHAIRMAN. Two dollars and seventy cents a day?

Mr. REYNOLDS. Yes, sir.

The CHAIRMAN. Where does the competition come from?

Mr. REYNOLDS. Germany.

The CHAIRMAN. What do they pay in Germany for that kind of work?

Mr. REYNOLDS. They pay about 50 per cent of what we pay here.

The CHAIRMAN. Of course you have the advantage of freight.

Mr. REYNOLDS. No; the advantage is a little in favor of the German.

The CHAIRMAN. Where do you manufacture?

Mr. REYNOLDS. In New York and Bristol—

The CHAIRMAN. Then, you have to freight hides to New York to get them to the market?

Mr. REYNOLDS. They come into Philadelphia.

The CHAIRMAN. But the freight to New York is naturally against them, isn't it?

Mr. REYNOLDS. Yes; naturally.

The CHAIRMAN. Are the freights high or not on this class of goods?

Mr. REYNOLDS. On the raw material?

The CHAIRMAN. No; on the morocco skin—the finished product.

Mr. REYNOLDS. The freight, as I understand from all the information I can get, is about equal to two-tenths of 1 per cent on the finished product.

The CHAIRMAN. What is the insurance?

Mr. REYNOLDS. I can not tell you; I do not know.

The CHAIRMAN. Where did you get your information as to the wages they pay over there?

Mr. REYNOLDS. I was in Germany last summer and went through one of the tanneries there, and I asked the gentleman who was taking me through what they paid in that particular department, and he told me they were earning about 28 to 30 marks a week, which would equal about \$7.25. That same work we pay in this country, piece for piece, \$2.40 a day, or \$14.40 per week.

The CHAIRMAN. Do your people accomplish more with the men over here?

Mr. REYNOLDS. No, sir; that man did the same amount of work we do in this country, 40 dozen per day.

STENGEL & ROTHSCHILD, NEWARK, N. J., THINK THEY SHOULD HAVE FREE HIDES AND DUTIABLE PATENT LEATHER.

NEWARK, N. J., *December 30, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We are large manufacturers of patent and enameled leather for the carriage and automobile trade, and we understand that at a hearing before your committee some time ago in regard to removing the duty on raw hides, one of the gentlemen who assumed to speak for our industry made certain statements which are quite erroneous.

We are told that he stated the patent and enameled leather industry could compete with the foreign-made product without any duty, if we had free hides. This we do not believe to be true. The duty on raw hides is 15 per cent; the duty on patent and enameled leather is 35 per cent. It can therefore be easily seen that if we were to be granted the relief asked for in the way of removing the duty of 15 per cent on hides and losing the protection of 35 per cent on the finished product we would be worse off than we are at the present time. Our labor cost is a great deal higher than European labor, as you are undoubtedly aware, and without some protection on the finished product we could hardly exist, even with free hides.

Our view of the matter is that in return for the removal of the duty on hides (which is very much desired) we could afford, perhaps, an equal reduction of 15 per cent on the finished product and still maintain our hold over the European finished product. We believe in the McKinley principle of reciprocity, and a proportionate reduction of the duty on leather, as above indicated, could perhaps be used by this Government in obtaining concessions from foreign countries, such as

France and Germany, who are discriminating against some of our American products.

So far as the duty on hides is concerned, we will say that it is very onerous, as it not only increases the price of the hides which we have to import, but the large packing interests have also increased the price of all domestic hides in proportion. It takes almost double the capital for our business to-day that it took before the duty was put on hides, and as a tanner who is unable to pay cash for his hides under existing conditions of trade is badly handicapped, there is very little chance for the small manufacturer to get along.

The packing interests have said in a great many cases that if they did not get their price for hides they would tan them themselves, and they are doing it to a large extent to-day, and if the hide markets of the world are not open to the tanning industry the ultimate result will be that the entire leather business will be in the hands of large trusts, who will control the price of leather as well as of hides, and, as usual, the American consumer will have to pay the price.

We therefore ask that your committee consider favorably the question of removing this duty and putting the industry where it was before the Dingley bill went into effect.

There are a great many other things which could be said, but we do not care to burden you with too long a statement. We will only add that we do not think that the farmer, for whose benefit this duty was ostensibly put on, has profited by it to any degree, but only the large packing interests, through whose influence it was originally put on, we are informed.

Very respectfully, yours,

STENGEL & ROTHSCHILD,
*Tanners and Manufacturers of Patent,
Enameled, and Fancy Leather.*

LEATHER AND PORPOISE SHOE LACES.

[Paragraph 438.]

**AMERICAN MANUFACTURERS OF THESE ARTICLES WISH THE
PRESENT DUTIES RETAINED WITHOUT CHANGE.**

267 MOUNT PLEASANT AVENUE,
Newark, N. J., January 7, 1909.

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.*

DEAR SIR: Inclosed please find brief in reference to leather shoe laces (signed by The Nelson & Boyd Company, of Chicago, Ill., and The American Porpoise Lace Company, of Newark, N. J.), which we respectfully submit for your earnest consideration, and on which depends the continuance of the porpoise or leather shoe-lace industry in this country.

Yours, respectfully,

THE AMERICAN PORPOISE LACE CO.,
LEO E. GOLDSTEIN, *Proprietor.*

CHICAGO, ILL., *December 23, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In behalf of the leather and porpoise shoe-lace industries of the United States, at the hearings now being conducted by your honorable committee looking to the revision of tariffs on certain commodities, we most respectfully call your attention to the existing tariff on leather and porpoise shoe laces.

You will find porpoise laces specially classified in the Dingley tariff act in Schedule N as shoe lacets, leathers, No. 438, with a present specific duty of 50 cents per gross pair of 288 strings and with an additional duty of 20 per cent ad valorem, as will be seen by an inspection of the bill itself.

To insure the safety of this industry, we believe the present existing duty on this class of commodities should remain undisturbed, and most respectfully submit the following facts in connection therewith for your examination and consideration:

We herewith submit to your honorable committee an original letter and invoice bearing date of December 3, 1908, from one of the largest leather shoe lace manufacturers in Great Britain, quoting prices on heavy and light laces to a Chicago jobber, on laces 36 inches, 40 inches, and 45 inches in length, as follows:

36-inch laces, 9s. 3d. (\$2.22) to 8s. 3d. (\$1.98) per gross pair.
40-inch laces, 10s. 3d. (\$2.46) to 9s. 6d. (\$2.28) per gross pair.
45-inch laces, 12s. 6d. (\$3) to 11s. 9d. (\$2.82) per gross pair.

The average cost of manufacture in the United States of laces of the same length and quality as quoted above is \$1.84 per gross of single strings (144) and \$3.68 per gross pair (288 strings), while the selling price of the English manufacturers for the same laces is from 8 to 12 shillings, or, in other words, \$2 to \$3 per gross pair American money.

It will be seen from the above quotations that the cost of manufacture in the United States is far in excess of the cost of manufacture of the same laces in Great Britain. In addition, it also will be readily seen that with the present duty added to the above quotations on English laces, the average selling price is less, approximately 20 cents per gross pair, than the average cost of manufacture in the United States; in fact the English manufacturer can manufacture and sell at a profit with duty added for a price which is less than the average cost of manufacture in the United States. The margin of protection is so slight that the present duty not only should be retained but an increased duty imposed in order that a fair margin of profit be guaranteed to the home producer.

The present existing duty on porpoise laces, based on 8 shillings per gross pair, is equivalent to 45 per cent, and on 7 shillings per gross pair about 47½ per cent. Under the Wilson bill, porpoise laces were not specially covered and appeared under "Manufactures of leather, not specially provided for," with an ad valorem duty of 30 per cent. Under this duty English manufacturers flooded the United States with grain laces at lower prices than American manufacturers could compete with, which led to the adoption of the present tariff in the Dingley Act.

The necessity of an adequate tariff on this particular class of commodities, we believe, will be quite apparent to your honorable com-

mittee upon consideration, after a careful review of the facts, as above set forth, and we trust that if any action be taken with regard to a revision of the tariff in this class of commodities it will be taken with a proper regard for the protection and welfare of the leather and porpoise shoe-lace industries in the United States.

Respectfully submitted.

NELSON & BOYD Co.
 Per SAMUEL NELSON, *President*,
Chicago, Ill.
 THE AMERICAN PORPOISE LACE Co.,
 Per LEO E. GOLDSTEIN, *Proprietor*,
Newark, N. J.

EXHIBIT A.

LOW FISHERGATE AND
 ELEVENTH STREET, SEPULCHRE GATE,
Doncaster, December 3, 1908.

MESSRS. JNO. LAWRIE & SONS,
186 Market street, Chicago.

GENTLEMEN: We inclose samples of our production of laces, which we think are what you require. We call them imitation porpoise laces.

Below we quote prices: Imitation porpoise, 36 inches, 9s. 3d.; 40 inches, 10s. 3d.; 45 inches, 12s. 6d.; lighter porpoise, 36 inches, 8s. 3d.; 40 inches, 9s. 6d.; 45 inches, 11s. 9d.

We inclose a tan russet lace, and can do these at above prices. We can pack them in 50 and 100 gross cases. They are sent out in green boxes, one-half gross in a box, and look very dainty. If you want them without boxes, they will be 3 pence lower, delivered at Liverpool.

Yours, respectfully,

JOSEPH CLARK & SONS.

EXHIBIT B.

STATE OF ILLINOIS, *County of Cook, ss:*

Samuel Nelson, being first duly sworn, deposes and says that he is president of the Nelson & Boyd Company, an Illinois corporation, engaged in the manufacture of leather and porpoise shoe laces.

That he has been identified with the manufacture of leather and porpoise shoe laces in the neighborhood of twenty-five years, and that he is familiar with the cost of manufacture of said laces in the United States; that the average cost of manufacturing strings 36 inches in length is \$1.67 per gross strings (144 strings); 40 inches in length, \$1.75; and 45 inches in length, \$2.10, and on longer strings the price is increased proportionately, and that the average cost of manufacture of the three lengths above mentioned is \$3.68 per gross pair of 288 strings; and that it is impossible to produce the said laces at a less cost after paying living wages to employees and costs incurred in the manufacture.

That the original letter and invoice attached to this petition is a correct quotation of the prices at which the said strings can be manufactured and sold by manufacturers of Great Britain.

Further affiant saith not.

SAMUEL NELSON,
President of the Nelson & Boyd Co., of Chicago.

Subscribed and sworn to before me this 4th day of January A. D. 1909.

[SEAL.]

DAVID D. KAGY,
Notary Public.

GLOVES.

[Paragraphs 439-445.]

VARIOUS CHICAGO BUSINESS HOUSES RECOMMEND THE RETENTION OF SPECIFIC DUTIES ON GLOVES.

CHICAGO, *November 25, 1908.*

HON. HENRY SHERMAN BOUTELL,
*Member of Ways and Means Committee,
House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: Regarding the matter of kid-glove duties, we feel especially fortunate in having a friend at court, and whatever other representations are made I know that what I write you will be accepted as sincere and true from my standpoint. Practically my entire business is the importing of kid gloves. Briefly stated, an ad valorem duty would put all honest men out of business, as the actual value of a skin made up into kid gloves is often indeterminate. To increase the duty would be to sin against every woman that wears kid gloves, as it is practically insane to try and manufacture so-called kid gloves in the United States. Any country where goat's milk is not an article of diet is rendered inefficient in making kid gloves on account of the nonproduction of the raw skin. The riding duty of 40 cents per dozen for certain forms of sewing a glove, also the riding duty of 40 cents per dozen for gloves embroidered with more than three single strands, is a subterfuge pure and simple, which protects no one but favors a few industries and again saddles upon the wearer an unfair and wholly unwarranted expense.

Summing up, after having talked with all the importers in Chicago, I find them of one accord, namely:

We are willing that the tariff on kid gloves should remain as it is.

We are desirous that the two riding duties of 40 cents each above mentioned should be abolished.

Hoping that this will appear to you in line with the spirit of the present investigation, and assuring you of its truth from our standpoint, and hoping that you can assist in maintaining the tranquillity of a business which is already overtaxed in duty, with kind regards, I remain,

Yours, very truly,

FRANCIS T. SIMMONS.

CHICAGO, *November 25, 1908.*

HON. HENRY F. BOUTELL,
Washington, D. C.

SIR:

* * * * *

We understand that there is quite a concerted movement to re-establish an ad valorem duty, and then to raise the scale from the basis on which it is now computed. We desire to protest most vigorously against any advance in duty, and to unqualifiedly condemn a resumption of the ad valorem scale, and we look to you, as representing our district, to insist on the retention of a specific duty, and also the abolishing of the extra amount now charged on pique and on embroidered gloves.

Respectfully,

CARSON, PIRIE, SCOTT & Co.

CHICAGO, *November 25, 1908.*

HON. HENRY S. BOUTELL,
Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR:

* * * * *

We are heartily in favor of specific rates on leather gloves, as at present assessed, and are unalterably opposed to ad valorem duties on these goods. It is only by the use of specific duties that the interests of honest importers and the Government alike can be safeguarded.

Second. The rates at present assessed on ladies' gloves are as high as this class of merchandise will bear, and any increase would simply tend to bar such goods out of this country. We are, therefore, in favor of allowing the present specific rates on ladies' gloves to remain.

Third. The cumulative duties of 40 cents a dozen on pique, prix seam, and stitched or embroidered gloves should be abolished. The cost of such sewing is not to exceed 10 cents per dozen extra, and the unreasonableness of increasing the duty by 40 cents per dozen on this account is apparent.

Very truly, yours,

MARSHALL FIELD & Co.

STATEMENT OF FREDERICK W. BROOKS, OF NEW YORK, REPRESENTING THE IMPORTERS OF LEATHER GLOVES.

SATURDAY, *November 28, 1908.*

Mr. BROOKS. Mr. Chairman, I represent the importers of leather gloves.

The CHAIRMAN. Gloves?

Mr. BROOKS. Leather gloves.

Mr. UNDERWOOD. What is the paragraph you are speaking under?

Mr. BROOKS. It is under paragraphs 439 to 445, inclusive, of the tariff act of 1897.

Mr. DALZELL. What paragraph?

Mr. BROOKS. Four hundred and thirty-nine to 445, inclusive, of the tariff act of 1897.

Mr. Chairman, I represent the following importers of leather gloves, namely, Trefousse & Co., Marshall Field & Co., John V. Farwell Company, Carson, Pirie, Scott & Co., Francis T. Simmons & Co., Edward Thomas & Co., Mills & Gibb, V. Perrin & Cie, Reynier Frères, B. Blumenthal & Co., and A. C. Hartmann, all of whom are representative houses of New York and Chicago, and they are large dealers in merchandise of that kind.

I may begin by stating that in paragraph 445 of the tariff act of 1897 there are provisions for certain cumulative duties. That is to say, there is a provision there for a duty on all pique or prix seam gloves, and on all gloves stitched or embroidered with more than three single strands or cords, of 40 cents per dozen pairs.

Now, we make the suggestion that those provisions which I have just read should be omitted in the next tariff act for these reasons: The provisions for leather gloves outside of those mentioned in paragraph 445 would seem to be ample to provide revenue for the United States and to protect any domestic interests in these articles; and, moreover, there has been considerable litigation as to the extent to which the provisions of paragraph 445 should apply, and anything which would tend to avoid litigation on tariff subjects is, we submit, very desirable for all concerned.

Litigation tends to disorganize business for merchants, and it is the cause of great trouble to government officials because it makes them additional and unnecessary work, and it interferes greatly with any calculations as to the amount of revenue to be derived from any tariff provision. The extra duties charged by the provision of paragraph 445, to which I have referred, exceed the cost of the work mentioned therein, and it is submitted that these extra duties are unnecessary for purposes of revenue or of protection. The amount of such goods imported, the duty collected thereon, and the ad valorem rate of duty paid thereon will undoubtedly be laid before your committee, and we are satisfied that the rates on the gloves, including these extra charges, are so high that your committee will agree with us that substantial justice will be done if these provisions are canceled in the new tariff.

It may also be submitted for the consideration of your committee that the provisions heretofore made for the duty on leather gloves have required the payment of the same rate of duty on children's gloves as that paid on women's gloves, and it would seem that a more logical and equitable arrangement could be made in a new tariff act, whereby the duty on children's gloves would be less than that on women's gloves in proportion to the difference in their cost, which is from 10 to 20 per cent, because children's gloves use less material and there is less labor on them. As to the tariff description of these gloves in the act of 1897, that would seem to be sufficiently well understood so that it might be repeated in the new tariff act, but if your committee is disposed to reduce the rates of duty upon articles of almost universal use, we suggest that the glove schedule is entitled to some consideration in that respect.

From the statistics which we will lay before you your committee will probably find that very few leather gloves for men are imported, the high rates of duty imposed on such goods by the act of 1897 being practically prohibitive. The importations of leather gloves are, therefore, practically confined to those for the use of women and

children, and the tariff rates on those are among the highest found in our tariff in a great many instances, as your statistics will show. The domestic interests are already well provided with the opportunity afforded them by the present tariff schedules to manufacture practically all of the leather gloves for men's use that are needed in this country, and any reduction in the rates of duty which your committee would make for the benefit of those who import women's and children's gloves would not, therefore, conflict with domestic interests.

There has been some litigation in the past, in the last year, over the term "schmaschen," which is a technical word, and which appears in paragraph 440; and I might state for the information of the committee that this term "schmaschen" refers to the skins of immature lambs, which are frequently dropped too early. The skins have very little strength, and for that reason they sell at a very low price. Consequently those schmaschen skins enter into the composition of the cheapest grade of leather gloves that come into this country. I may also add that I understand from very good authority that practically no schmaschen gloves are manufactured here, the entire consumption being of the imported articles.

It has been understood by those whom I represent that some steps will be taken to induce this committee and Congress to enact a new tariff act that will omit the provision for these schmaschen goods in paragraph 440, the result of which would be that they would then come under the provision for lamb gloves—which are one grade higher and which come from more expensive skins—and would pay a higher rate of duty. As to that, I submit to you that inasmuch as practically no schmaschen gloves are produced in this country it would therefore be adding an extra tax to the consumers if this provision for schmaschen goods should be stricken out of the next act.

Regarding the provisions for women's lamb, sheep, kid, and other gloves now found under paragraphs 441 to 444, inclusive, we desire to state that the language of these paragraphs is so well understood that it would be unnecessary to make any change in that respect. We have compiled, and I will hand to the stenographer for the use of the committee, statements of the cost of fabrication in France and in Germany, from which countries most of these foreign gloves come, giving in detail all of the particulars of the cost of labor of manufacturing gloves, and we have also added to them a compilation from good sources of the cost of fabrication of gloves in the State of New York.

Now, from these statements of cost it will appear that of the two given as coming from Grenoble, France, each of those is the cost of the cheapest of that kind of goods that are made there, and I might add that where a little more care is used in the manufacture of the gloves necessarily the expense of that extra care would add perhaps 2 or 3 francs a dozen to the figures that are given in these tables. The table that is made up as to the cost of manufacturing gloves in Germany gives both the maximum and the minimum rates for the manufacture of the goods, for the cheap ones, and for those where more care is used, and of course there is no occasion to add anything to those.

Mr. UNDERWOOD. You will file those tables, will you?

Mr. BROOKS. I will file them with the stenographer; yes. I believe the average rate of duty on imported gloves is about 40 per cent or more, and we think that is a very good rate of duty for such articles.

Now, we also desire to make an emphatic protest against the appearance in the new tariff act of any provision for ad valorem duties on this class of gloves. Your committee will remember, Mr. Chairman, that in the tariff act of 1890 there were some provisions made there for ad valorem duties—that is to say, that they should not cost less than 50 per cent—and in other cases there were specific provisions for a duty of 50 per cent on these gloves, but it was ascertained by experience then that those very provisions were the cause of great scandals and of considerable undervaluation, some of which, as far as I remember, went as far as the criminal courts.

It is therefore suggested that inasmuch as specific duties have been, practically, levied on nearly all these gloves—at any rate since the tariff act of 1890—and as there were no ad valorem duties mentioned in either the Wilson bill or the present bill, we ask if it shall be suggested to this committee that ad valorem duties be applied to any of these articles to which I have referred to-day, that the committee decline to make any such provision.

We may add that if the committee should see fit to reduce the rates of duty applicable to these gloves in the new tariff, it is very likely that such reduction would, in all probability, increase the importation of such articles, and would therefore result in an increase of revenue derived from such goods, which, as I understand, is a feature to be considered by this committee at the present time. At the same time, I may also submit that there is nothing for which we have asked to-day which will in any way, as we understand it, conflict with any domestic industries. I ask that these tables which I have prepared may be submitted with my remarks, and also the names of those whom I represent, they being representative houses both in New York and Chicago.

The CHAIRMAN. Submit your brief. Hand it to the reporter.

Mr. UNDERWOOD. You represent the importers?

Mr. BROOKS. I do, sir.

Mr. UNDERWOOD. I notice that in the general trend of the business there is about \$17,000,000 worth of gloves manufactured in this country, and importations to the amount of about \$10,000,000.

Mr. BROOKS. Yes, sir.

Mr. UNDERWOOD. That makes it a pretty good revenue-producing article?

Mr. BROOKS. Yes, sir.

Mr. UNDERWOOD. But you say there are some classifications of these gloves that are prohibitive?

Mr. BROOKS. Yes, sir.

Mr. UNDERWOOD. Will you state which they are?

Mr. BROOKS. Those are the men's gloves.

Mr. UNDERWOOD. Entirely the men's gloves?

Mr. BROOKS. The tariff duty on men's gloves is higher than it is on women's and children's gloves all the way through, and for that reason, if you will examine your statistics, I think you will find that the importations of men's gloves, say during 1907, amounted to practically nothing. I understood you to say \$10,000,000—

Mr. UNDERWOOD. Ten million dollars for the total importations.

Mr. BROOKS. That \$10,000,000 represents the women's and children's gloves, practically; and I doubt very much if the importations of men's gloves will be 5 per cent of that, the men's gloves all being made in this country.

Mr. UNDERWOOD. Is there any reason from a manufacturing standpoint why it is more difficult for the manufacturers of this country to meet competition on men's gloves than it is on women's and children's?

Mr. BROOKS. There is. As I understand it, the men's gloves are coarser, in the first place.

Mr. UNDERWOOD. Are what?

Mr. BROOKS. Coarser. They are made of more stable materials; and the women's gloves are the product of working people in Europe who have been brought up to that business from their youth, and whose parents and grandparents occupied the same field before them. It is the experience in manufacturing this class of goods that makes the European much more competent to manufacture the finer grades of gloves (which are the women's gloves) than the men's gloves, which are made here. That is one reason.

Mr. UNDERWOOD. Therefore, the reason that the importations come in in women's and children's gloves is because they produce the higher products that the markets want?

Mr. BROOKS. That is one reason; and the other is that the duty on men's gloves is 25 and 30 per cent higher than it is on women's and children's gloves.

Mr. UNDERWOOD. Suppose the duty were reduced on men's gloves to the same amount that it is on women's and children's gloves, what effect would that have on the industry in this country?

Mr. BROOKS. That might induce the foreigners to send over men's gloves, but I think it very doubtful. The glove business is peculiar. You will find, by referring to the provisions of the tariff acts of 1894, and of 1890, that the duty on men's gloves has always been higher than the duty on women's gloves—very much higher. The result has been, I think, from my own recollection, that from 1890 down to the present time pretty much all of the men's gloves used in this country have been made in this country, while the women's gloves, as a rule, have been imported.

Mr. UNDERWOOD. If the duty is prohibitive and we are not raising any revenue from it, it seems to me it is too high; but I wanted to ask you what effect, if we made a reduction of that kind, it would have on the revenue and on the industry. Can you give that from your knowledge as an importer? Have you any idea how much that would increase the importations into this country?

Mr. BROOKS. I can not state; I doubt if anyone could.

Mr. UNDERWOOD. Do you think it would be wise to make the reduction?

Mr. BROOKS. Well, that would be a matter for the committee to consider.

Mr. UNDERWOOD. From a revenue standpoint, I mean. These are luxuries.

Mr. BROOKS. From a revenue standpoint, I presume more men's gloves would be imported if the rate of duty on men's gloves was no higher than it is on women's gloves.

Mr. UNDERWOOD. Do you think the importations would amount to over 25 per cent of the production in this country?

Mr. BROOKS. I can not state.

Mr. UNDERWOOD. You have no means of ascertaining that fact?

Mr. BROOKS. I have no means by which I could ascertain it. I would be very glad to procure the information for the committee if I could, but, as I said before, the conditions of the glove trade are such that, as far as I know and as far as I have been able to ascertain, the conditions which exist to-day have existed since 1890.

Mr. UNDERWOOD. The only thing, then, to guide us in that situation is the fact that the duty is lower on women's and children's gloves. There is an actual contest for the market, and the American manufacturer still exists.

Mr. BROOKS. The American manufacturer, of course, produces, as you have stated, 17,000,000 of the goods here in the course of a year, and the importer brings in 10,000,000. Neither one conflicts with the other.

The CHAIRMAN. Of course the highest revenue could be obtained by putting the duty low enough so that the American glove would be driven out of the market and letting the foreign gloves come in, and having them all pay duty. That would be the way to secure the highest revenue.

Mr. BROOKS. Well, I hardly think so.

The CHAIRMAN. Do not spend much time on it, then, if that is your opinion.

**BRIEF SUBMITTED BY FREDERICK W. BROOKS, REPRESENTING
LEATHER GLOVE IMPORTERS, SUGGESTING NEW CLASSI-
FICATION FOR GLOVES.**

WASHINGTON, D. C., *November 28, 1908.*

HON. SERENO E. PAYNE,

*Chairman of Committee on Ways and Means,
House of Representatives.*

SIR: We are engaged in the importation of gloves, for which various provisions are made in the tariff act of July 24, 1897, under paragraphs 439 to 445, inclusive, and we submit herewith some matters for your consideration in the preparation of the new tariff act.

We may begin by stating that in paragraph 445 of the tariff act of 1897 there are provisions for certain cumulative duties, and we think that all of these duties, except that for lining, should be omitted in the new act. The provisions for leather gloves outside of those mentioned in paragraph 445 would seem to be ample to provide revenue for the United States and to protect any domestic interests in these articles, and, moreover, there has been considerable litigation as to the extent to which the provisions of paragraph 445 should apply, and anything which would tend to avoid litigation on tariff subjects is, we submit, very desirable for all concerned. Litigation tends to disorganize business for merchants, and it is the cause of great trouble to government officials, because it makes them additional and unnecessary work, and it interferes greatly with any calculations as to the amount of revenue to be derived from any tariff provision. The extra duties charged by the provision of paragraph 445 exceed the cost of the work mentioned therein, and it is submitted that these extra

duties are unnecessary for purposes of revenue or of protection. The amount of such goods imported, the duty collected thereon, and the ad valorem rate of duty paid thereon will undoubtedly be laid before your committee, and we are satisfied that the rates on the gloves, including these extra charges, are so high that your committee will agree with us that substantial justice will be done if these provisions are canceled in the new tariff.

It may also be submitted for the consideration of your committee that the provisions heretofore made for the duty on leather gloves have required the payment of the same rate of duty on children's gloves as that paid on women's gloves, and it would seem that a more logical and equitable arrangement could be made whereby the duty on children's gloves would be less than that on women's gloves in proportion to the difference in their cost, which is about 10 to 20 per cent, because children's gloves use less material and there is less labor on them. The tariff description of these gloves in the act of 1897 would seem to be sufficiently well understood so that they might be repeated in the new tariff act, but if your committee is disposed to reduce the rates of duty upon articles of almost universal use, we suggest that the glove schedule is entitled to some consideration in that respect. From the statistics which we will lay before you your committee will probably find that very few leather gloves for men are imported, the high rates of duty imposed on such goods by the act of 1897 being almost prohibitive. The importations of leather gloves are therefore practically confined to those for the use of women and children, and the tariff rates on those are among the highest found in our tariff in a great many instances, as your statistics will show. The domestic interests are already well provided, with the opportunity afforded them by the present tariff schedules, to manufacture practically all of the leather gloves for men's use that are needed in this country, and any reduction in the rates of duty which your committee would make for the benefit of those who import women and children's gloves would not, therefore, conflict with domestic interests.

There has also been some litigation in the last year over the term "schmaschen" in paragraph 440, but it seems that the term is well understood in the trade, and there is hardly sufficient reason for eliminating this provision on this ground alone, because there are a great many inferior skins that are used in the fabrication of gloves which are sold to the poorer classes and which could not be marketed at the present prices if they were compelled to pay the same duty as lamb gloves. It should also be noted that there are practically no schmaschen gloves produced in this country, and it would therefore be adding an extra tax on the consumers for this provision to be stricken out of the act. The foregoing is submitted to your committee for the reason that there has been some apprehension on the part of those who import these gloves that an effort will be made to omit any specific provision for such gloves in the new tariff act, and that attempts will be made to require them to pay the same duty as is imposed on lamb gloves, which would be inequitable and at the same time bear heavily on the peculiar class of goods which, as we have above stated, is the lowest grade of such goods in the glove trade.

Regarding the provisions for women's lamb, sheep, kid, and other gloves now found under paragraphs 441 to 444, inclusive, we desire to state that the language of these paragraphs is so clearly understood by merchants and by those who administer the tariff laws that it would be unnecessary to make any change in that respect or with regard to the question of protecting domestic interests in consequence of the difference between the cost of foreign labor and that of domestic labor. We have compiled and send herewith for the information of your committee statements of cost of fabrication in France and Germany, giving in detail all of the particulars of the cost of labor of manufacturing gloves. From these statements of cost it will appear that the lower of the two in Grenoble, France, is the cheapest rate at which gloves can be made in that country; the higher of the two being the cost at a factory where a little more care is used, and we may add that in the manufacture of the best gloves in France the cost of labor would amount to about 18 francs per dozen. The statement of cost of fabrication of gloves in Germany gives the minimum and maximum amounts and therefore requires no further comment here. From the figures given of the cost of manufacture in this country it would seem that the duties already imposed on this class of goods are sufficiently high to offset the difference between the cost of foreign labor and that of domestic labor. We understand that the average rate of duty on imported gloves is between 40 and 50 per cent and with such protection as that we think the interests of domestic producers are fully covered.

We also desire to make an emphatic protest against the appearance in the new tariff act of any provision for ad valorem duties on this class of gloves. In the tariff act of 1890 there were some provisions for ad valorem duties and it was found by experience at that time that they were the cause of considerable undervaluation. In the tariff acts of 1894 and 1897 the duties levied are all specific and we think your committee will agree with us that past experience has shown the advisability of continuing the assessment of specific duties on this class of goods.

We may add that the reduction of the rates of duty applicable to the gloves mentioned herein would in all probability increase the importation of such articles and would therefore result in an increase of the revenue derived from such goods. As we understand that one of the problems before your committee is to increase the receipts of the revenue from imports, where that can be accomplished without injury to domestic industries, we submit that any reduction of the rates of duty at present collected on leather gloves would accomplish that purpose.

Respectfully submitted.

TREFOUSSE & Co.
 MARSHALL FIELD & Co.
 JOHN V. FARWELL Co.
 CARSON, PIRIE, SCOTT & Co.
 FRANCIS T. SIMMON & Co.
 EDWARD THOMASS & Co.

MILLS & GIBB.
 V. PERRIN & CIE.
 REYNIER FRERES.
 B. BLUMENTHAL, & Co.
 A. C. HARTMANN.

EXHIBIT A.

Cost of manufacturing gloves in Germany—Lambskin and schmaschen, 3-inch, men's and ladies'.

	Marks.
Dyeing -----	1. 50 to 2. 00
Cutting -----	2. 30 to 2. 80
Trimming -----	. 10 to . 20
Sewing (including material) -----	2. 30 to 2. 80
Laying off or dressing -----	. 30 to . 40
General expenses -----	1. 50 to 2. 00
Total -----	8. 00 to 10. 20

General expenses include foremen, forewomen, tacking, polishing, matching, press cutting, stamping, ridelling, blacking.

EXHIBIT B.

Cost of fabrication in Grenoble—Men's or ladies' 3-inch overseam gloves without fasteners.

	Francs per dozen.
Cutting (ridelling by cutter) -----	3. 150
Stamping -----	. 025
Press cutting (gloves) -----	. 090
Press cutting (thumbs and fourchettes) -----	. 035
Cutting gloves to proper length -----	. 015
One row embroidery or point -----	. 300
Drawing embroidery ends (or knots) -----	. 150
Stitch round points, 2 rows with knots -----	1. 100
Matching fourchettes with gloves -----	. 090
Tacking thumbs, closing, putting in thumbs and fourchettes, tacking fingers, closing glove -----	1. 100
Turning gloves inside out -----	. 300
Tacking on tapes and hearts -----	. 400
Sewing on welts and handalettes -----	. 250
Tacking down bandalettes -----	. 110
Blacking -----	. 035
Tacking together -----	. 300
Dressing -----	. 100
Polishing and lustering -----	1. 560
Salaries -----	1. 470
Dyeing -----	. 314
Silk -----	. 097
Thread -----	. 155
Tape -----	1. 335
General -----	12. 481
Total -----	12. 481

Clasps, say, 1.25 francs up. Piqué gloves, ladies' or men's, 2 francs extra.

EXHIBIT C.

Cost of fabrication in Grenoble—Men's or ladies' 3-inch overseam gloves without fasteners, 1-row Brosser black gloves.

	Francs per dozen.
Choosing skins -----	1. 50
Dyeing -----	1. 50
Cutting -----	3. 25
Feute -----	. 09
Raffilage (trimming edges after cutting by dies) -----	. 05
Assortment (matching fourchettes with gloves) -----	. 09
Embroidery (1-row Brosser) -----	. 75

	Francs per dozen.
Sewing	1. 90
Putting on bindings.....	.40
Putting on plaques.....	.30
Putting on hearts.....	.05
Rabattur (tacking on tapes and hearts).....	.25
Cost of bindings, hearts, and plaques.....	.15
Blacking .....	.10
Dressing .....	.30
General expenses.....	3. 50
Total.....	14. 18

Cost of metal clasps, 1.25 francs. Putting on clasps, 0.20 franc. Piqué or prix seam, 1.50 francs extra.

EXHIBIT D.

Cost of fabrication in New York State—Men's or ladies' 3-inch overseam lamb or kid, without fasteners.

	Per dozen.
Cutting and stamping	\$1. 20
Paris or London point embroidery, complete.....	.35
Sewing complete, all Brosser work.....	1. 00
Reenforcements and hearts.....	.15
Blacking .....	.12
Dressing by hand .....	.15
Sewing materials—silk and cotton.....	.20
General expense, including press cutting, cutting to exact length, matching fourchettes with tranks, tacking gloves together, polishing and lustering.....	.55
	3. 72

Additional for pique, \$0.20. Additional for prix seam, \$0.30.

NOTE.—Regarding the skins used in the manufacture of these gloves, it may be stated that the domestic manufacturer has an advantage over the foreign manufacturer, in that the former pays a duty of 20 per cent on such skins as may be imported for making gloves, while the importer has to pay on the skins used in the manufacture of imported gloves a duty of more than double 20 per cent, because the duty paid on the completed gloves is intended to cover the duty on the skins entering into their composition; and as we have above stated, this duty is more than 40 per cent ad valorem.

STATEMENT OF HON. L. N. LITTAUER, OF GLOVERSVILLE, N. Y., REPRESENTING THE GLOVE MANUFACTURERS.

SATURDAY, *November 28, 1908.*

MR. LITTAUER. I regret very much, Mr. Chairman, that the representative of the importers has not fortified himself sufficiently with the facts as to the importation of gloves. He says there are few men's gloves imported to-day. There are as many gloves imported to-day as there were before the Dingley bill, before the Wilson bill, or before the McKinley bill.

MR. UNDERWOOD. You mean men's gloves?

MR. LITTAUER. Men's gloves; yes, sir. Permit me to give you a short history of that. Before 1890 there was a glove industry in this country, but the glove industry did not compete with the manufacturer of the fine gloves that were made in Europe. We had built up a glove industry in this country based on the buckskin glove for workmen. This happens to be the only country in the world where the workingman earns sufficient wages to afford him the luxury

of protecting his hands with a pair of gloves, and that workingman's industry is to-day 65.3 per cent of the glove industry of America, according to the census of 1905. Up to 1890, up to the McKinley bill, the rate of duty on gloves under the tariff act of 1883 was 50 per cent ad valorem. The bad practices that the representative of the importers has referred to practically made it impossible to compete with the foreign manufacturer on fine gloves, because the manufacturer in those days sent his gloves to his agent over in this country and sold them here. The American manufacturer or the large American dealer could not compete with the agent of the foreign manufacturer in this country, because the gloves were so tremendously undervalued, and there was constant trouble; so that up to 1890 all the fine gloves were imported, and the men's gloves, under such importations, amounted to 127,000 dozen a year. In 1907, under the high prohibitive rates of duty referred to by the representative of the importers, there have still been imported 108,000 dozen; and as far as the revenue is concerned, the revenue on the 108,000 dozen was double what the revenue on the 127,000 dozen was.

The McKinley bill began by giving recognition from the protective standpoint to men's gloves. It continues the old ad valorem rate of 50 per cent and added \$1 per dozen specific on men's gloves, and then gave these other cumulative provisions which were objected to here for the more elaborately made gloves. The result of that was that the industry of manufacturing men's gloves began in this country, an industry that to-day gives employment to 20,000 working men and women at the American rate of wages.

The McKinley bill only lasted a few years, and then we came before this committee, presided over by Mr. Wilson, and despite the fact that on that portion of the glove schedule which concerned ladies' gloves the McKinley rates were cut in two, we yet were able to demonstrate the justice and necessity and propriety of fostering this business of manufacturing men's gloves that had been started under the McKinley bill, and the Wilson bill gave us higher duties than the McKinley bill. The Wilson rate on men's gloves is practically the rate that stands on men's gloves to-day. The importations in 1893 had fallen from 127,000 dozen to 103,000 dozen. Then came the higher rates under the Wilson bill, and in 1896, when the Dingley bill was under consideration, the importation of men's gloves had been reduced to 62,000 dozen, and our communities began to grow, and to-day the men's glove business is an exceedingly broad one. It is carried on in 27 States, chiefly centered in my home, in Gloversville, and Johnstown, in Fulton County. We think we have achieved a good result, and we think our industry is worthy of continued protection. The 108,000 dozen imported to-day consist of just the same character of gloves as were imported before the McKinley bill.

Mr. UNDERWOOD. You are speaking of men's gloves?

Mr. LITTAUER. I am only talking about men's gloves. I will come to the ladies' gloves in a moment. I do not want to detain you any longer than is necessary. There are 108,000 dozen imported to-day, as I say. I obtain this from the statistical bureau of the Department of Commerce and Labor. These gloves are brought into this country because of the inadequate protection on one item of the three items of the tariff placed on men's gloves. Men's gloves are assessed \$3 duty on the schmaschen gloves. There is no schmaschen that is fit

to make men's gloves of. The 900 dozen imported, according to the statistics of last year, are not schmaschen gloves. They are forced in. The schmaschen is the skin of still-born or dropped lambs, and these skins are very small. Then come the 3,000 dozen men's lamb-skin gloves, that pay a rate of \$4 per dozen. Before the Dingley bill went into effect I think some gentlemen that I am looking at now will remember that I asked that the duty on men's kid gloves be placed at \$5 per dozen, but it was left at the Wilson rate of \$4; and to show you how nicely importation follows tariff schedules, where before only 3,000 dozen men's lamb gloves were imported, to-day 104,000 dozen men's kid gloves are imported out of the 108,000 dozen, showing plainly that the confiscatory duty of \$4, or what should be a confiscatory duty, is not sufficient to cover men's kid gloves. But, gentlemen, we have developed a healthy industry here. If you simply retain the rates on men's gloves, we will attempt the fine kid gloves in time.

Let me tell you a little bit about the difference between imported and domestic gloves. In the first place, all of the gloves that come in under the tariff are made of imported leathers. We do not find lamb and sheep skin in America that is fine enough for fine glove purposes. They are found in the Baltic peninsulas, in the mountains of Spain, and in the steppes of Russia. Sheep are grown in this country for their wool and for their meat. There they are largely grown for the skin, and these skins are of finer texture. The skin of the sheep that is grown for its wool has a coarse grain. We have to make our fine gloves out of the skins that have fine texture, and on these skins dressed in Europe we are compelled to pay a duty of 20 per cent. These rates seemingly are high if figured on a percentage basis, but nevertheless the glove manufacturer starts out by paying 20 per cent on his raw material. Now, as to labor. The gentleman has referred particularly to the cumulative rates paid on pique or prix seam gloves and on gloves stitched or embroidered, which, under the Dingley bill, are assessed at 40 cents a dozen extra. The ordinary, cheaper grades of glove are made on the round seam machine that runs rather rapidly, but his pique gloves are made on a machine that is a slower working machine.

In Europe, on the round-seam goods, for a dozen gloves the operative is paid 24 to 30 cents; in the United States 75 cents; and on the pique gloves, for which the European operative is paid 54 to 60 cents a dozen, we have paid in this country \$1.40 a dozen—almost double. It takes time to make pique gloves, and we pay practically for the time consumed. Austria, which is quite a glove-producing country, sends most of its gloves by parcel post to Belgium, to be sewn there, where the rate of labor for sewing is less, yet the difference in these higher and more costly sewn articles is as between 24 and 54 cents in Europe and as between 75 cents and \$1.40 here.

I will give you just a few other items in connection with labor. Some of our consuls have reported to the State Department the rates of wages paid in Europe. In France—in Grenoble, the seat of the glove industry in France—the women are paid from 40 to 60 cents a day. The men are paid from \$1 to \$1.20 a day. In Italy the girls earn 20 cents to 40 cents a day, and the women from 40 cents to 60 cents a day, and the men seldom over \$1. The work on fine gloves in America is done on the piece-price system, so that when we speak about the rate of wages, we must gather from the piece price what the

average individual earns; and, gentlemen, our industry is situated in a healthy climate. Our people work ten hours a day. We have no trade union in the fine-glove trade in America. There has never been any difference between the manufacturer and the workingmen on the rate of wages. A difference did come up once on the closed shop. The manufacturers stood their ground, and since that day there has been no trade union of any kind. The rates of wages are made by compromise between the manufacturers and their employees. Our girls, the best paid of those who work on gloves, earn from \$2 to \$3.50 a day. Our men earn from \$2 to \$4.50 a day. Eighty-one per cent of the heads of families in the glove centers of this country own their own homes.

Between 1900 and 1905 we increased the rate of wages 233 per cent, and during the fifteen or eighteen years that we have had a protective tariff on men's gloves our savings-bank deposits, they told me the other day, have increased 314 per cent. We believe we have shown proper consideration to our employees. There is no trust, no combination, no selling organization, no millionaires in the glove business. Domestic competition has extended through 339 factories. There is close and active competition, and large production at only a fair profit.

I want to go one step further, now that the importers have opened the question. Well, I will defer that one minute longer. Before protection, 127,000 dozen were imported in 1890. In 1893, 103,000 dozen; under the higher Wilson rates, 62,000 dozen; and to-day, 108,000 dozen.

I have referred to the rate on kid gloves. The rate of \$4 a dozen on men's gloves, which is the compensation for the difference between the 20 per cent paid on the material and the labor, is a much lower rate to-day than it was in 1897, when the Dingley bill was passed; and why? Because leathers of all kinds have gone up during this period, and that is the general tendency. The leather of the world is getting scarcer and there is a greater demand for it. Our glove leathers have gone up at least 25 per cent during the last twelve years. So that the protection of the \$4 compensatory duty of twelve years ago to-day would not amount to more than \$3.50 or \$3.60.

Mr. UNDERWOOD. How much does the tax on your raw material amount to per dozen?

Mr. LITTAUER. It amounts to from 75 cents to \$1.75, according to the grade. Now, just let me for a moment discuss the subject of ladies' gloves. I feel that the American manufacturer of men's gloves give a fair compensating duty. As proof to the contrary of the statement that was made here a moment ago that we can not make fine gloves, I will say that we are making the finest men's gloves that are made in the world to-day—the best cut, the best fit, the neatest in appearance—and the reason of the importation of this quality to-day is, first, the inequality of the cost-compensating rate on one kind of gloves, and then, again, because throughout the world, or throughout this American world, there are a lot of people who are saturated with the notion that they have got to buy something that is imported or else it is not fine. They have got to buy Paris dresses, and they have got to buy English gloves; but we have demonstrated in the manufacture of gloves that we can make the best gloves in the world, provided we can compete with the foreigner.

Now, on ladies' gloves. The tariff on ladies' gloves has always been on the revenue basis. We feel that what we have demonstrated on men's gloves, if you give us a proper opportunity, we will demonstrate on ladies' gloves, and we will give 50,000 working men and women in the United States employment at American rates of wages. The revenue tariff on ladies' gloves ought no longer to exist. It is a revenue producer, and it is the revenue producers, if you will permit me, gentlemen, that ought to be revised, because the articles of the greatest luxury pay the least tariff duty. Here, for instance, we will take a short glove, a lady's glove, a three-button glove. That sells for \$1 or \$1.50 a pair, and pays anywhere from, you might say, \$1.75 to \$3.50 a dozen, or from 15 cents to 30 cents a pair duty.

But this long glove that extends up to a lady's elbow only pays 15 cents more a pair duty than the short ones.

If you want to raise the revenue, tax these articles of extreme luxury. Remember, it is the difference between a lady paying a dollar and a half for a pair of gloves or paying \$5 a pair.

I want to make one other remark in connection with this. Gloves are a matter of style and luxury. If you look at the importations of the last few years, you will find out that these long gloves have been most extensively imported, whereas a few years ago they were not imported to any extent. Style decrees that a lady's sleeve shall be no longer than her elbow, and consequently the glove has to be worn to cover the bare arm.

I have before me some statistics of ladies' gloves, made of lamb skin, over 17 inches in length.

There were 1,600 dozen of these gloves imported in the year 1904. In 1905 there were 1,500 dozen imported. In 1906 there were 4,500 dozen imported. In 1907 there were 162,000 dozen imported.

As I have said, it is merely a matter of style. Ladies were paying \$3.50 and \$4.50 a pair instead of a dollar a pair.

Matters of luxury have got to be paid for, and they are willing to make the sacrifice, and we believe the tariff schedule as to these expensive gloves should be re-formed so as to raise revenue from these articles of luxury.

Mr. UNDERWOOD. Will you file with your brief, Mr. Littaer, a statement of what you consider would produce more revenue on gloves from that standpoint?

Mr. LITTAUER. Yes; I would be glad to do so. I have framed a brief from two standpoints. On men's gloves I have tried to demonstrate that there is a necessity for the continuance of the present duty as simply compensating duty for the difference in cost.

On the ladies' glove schedule I have looked at it from two standpoints. First, from a revenue-producing standpoint based on such similar rate as we have now and calling attention to these inequalities and how they ought to be changed in order to bring in revenue duties.

Then I want to make a strong argument, and I want to appeal most strongly to you gentlemen who desire to give work to American workmen at full rates of wages—that we can give 25,000 and 50,000 people work at such rates as we are now doing if you will only give us the difference between the cost of labor in America and the cost of labor in Europe.

Mr. GRIGGS. Would you not like that duty to come off?

Mr. LITTAUER. Well, it is a double-edged sword. As long as we have a compensating duty it does not make any difference whether it be on or not. There are tanners of leather here who hope in years to come to dress this vast amount of leather in the United States. After the Dingley bill was passed I was one of those ambitious gentlemen and lost a fair fortune in the attempt to dress these leathers here.

Mr. GRIGGS. The tanners have been here to-day asking for free hides, though.

Mr. LITTAUER. This is not hides; these are little bits of fellows. They were asking for free hides, meaning hides that weigh from 25 to 50 pounds. These are lambskins and sheepskins, tanned in alum instead of bark or acid.

Our hides are lambskins with the wool on; they are skins, not hides. For instance, last year I went to Europe and brought the Russian skins over here and tried to down them. Some of our neighbors have tried to down them with more or less success, but I do not think that they have succeeded well enough. I had to send mine back, after paying 3 or 4 cents for the wool that was on them.

There may come a time when the tanning industry in America will be such that we can utilize their product, but that time has not yet come.

If you will only give us what it seems to me our Republican platform has stated we are entitled to, and that is compensation for difference in labor between Europe and ourselves—and in this instance of course we would have to add the duty on the raw material—we would be satisfied.

I have referred to these cumulative provisions here. They merely counterbalance the extra cost in Europe as against the cost in America, and we ought to have one more thing.

In late years hand-sewn gloves have become a matter of style. It is a rather coarse glove, and very elastic. These gloves are sewn by hand throughout England in little hamlets out in the country, and they pay 4 shillings 3 pence and 4 shillings 6 pence for those gloves over there. It is a different problem here. We pay \$3.50 a dozen. We can not compete on hand-sewn gloves, because we have to pay a great deal more, and in order to compete you ought to give us at least \$1 or probably \$2 a dozen.

Another item I want to bring up is this: The automobile has come along since the Dingley bill was enacted. It has brought men's gauntlets, gloves that come up to the elbow, large gloves. We pay 20 per cent duty for that leather in the cuffs, but the importer only pays the same rate of duty as on the short gloves, which was the glove that was considered at the time the Dingley bill was enacted into law.

Then, in connection with lined gloves, they are lined with cotton, wool, and silk fabrics, and they are beginning to be lined with skins. The skins they use are the skins of rabbits and coons and squirrels. Yet there is but \$1 duty to compensate for the difference in cost. I have paid as high as \$5 a dozen duty on squirrels that went into one dozen gloves. When we first produced that character of glove we had the business, but pretty soon the importer saw his opportunity, and he has driven us entirely out of that business.

There should be a provision retaining the \$1 a dozen on gloves lined with cotton, wool, and silk fabrics, but there should be an addi-

tional provision that when these gloves are lined with skins or furs there should be \$5 a dozen paid, provided you continue the duty on dressed furs, in order to make it a compensation.

I want to refer once more to these various schedules. The schedules bringing in the revenue on the ladies' gloves starts out with a 14-inch glove, which is a glove of six-button length, and it permits any article of semiluxury at the same rate that the glove pays which is paid by the lady who wears only one and two button gloves.

The rate ought to be assessed on the length of the average glove, 11 inches in length, and then there ought to be an additional rate for each inch that goes up the arm, either in ladies' gloves or these gauntlet gloves for men which I have referred to.

And also, if you start off on a revenue basis, to get a higher revenue—

Mr. UNDERWOOD. Do you think that would produce more revenue than the present schedule?

Mr. LITTAUER. I am sure it would produce enormously more revenue, because just let me call your attention to the amount of dozens imported of those long-length gloves.

Take, for instance, on the article of latest luxury, a lady's kid glove 17 inches in length.

The ad valorem rate as figured out at the custom-house on gloves over 17 inches in length is only 31 per cent, while the ad valorem rate for the short glove, the glove down here on the arm [indicating], is 43 per cent.

Now, surely this article, one of style and luxury, ought to pay a different rate; and my scheme, or my idea, is to start out with an 11-inch glove and assess an additional rate of duty of 50 cents an inch, or any major portion thereof.

Mr. UNDERWOOD. What is the percentage of ladies' gloves of short length coming in now?

Mr. LITTAUER. It may be as different in 1908 from 1907 as it was in 1907 from any year before. It is wholly a matter of style. There were last year 1,100,000 dozen ladies' gloves imported, and I should say that at least—from my general impression, I would say that last year one-half of those were long gloves.

Mr. UNDERWOOD. The 48 per cent did not cut off the importations of the short gloves, and therefore you consider if we increase the duty on the long gloves, so as to make that something like 48 per cent, they will still come in?

Mr. LITTAUER. They will come in at any price, as long as the style demands them. They are articles of extreme luxury, and a proper article for taxation.

Mr. CLARK. Your idea is that a 3-button glove is a necessity and that the elbow glove is an article of luxury?

Mr. LITTAUER. My idea is that the 3-button glove goes into the ordinary wear, is for the protection of the hands, and at the same time it includes some style.

Mr. CLARK. You say there are no millionaires in your business?

Mr. LITTAUER. There are not.

Mr. CLARK. I have been very much misinformed about one of my friends. [Laughter.]

Mr. LITTAUER. Well, you and I will sit down some time and talk it over together.

Mr. CLARK. What percentage is the tariff on your raw material?

Mr. LITTAUER. Twenty per cent.

Mr. CLARK. You know more about the glove business probably than any other man in America.

Mr. LITTAUER. I think I know as much. I ought to know about it; I have devoted my life to it.

Mr. CLARK. Well, how does the tariff on these skins compare to the cost of the article, when you have finished it?

Mr. LITTAUER. About 10 per cent of the article, when we have finished it.

Mr. CLARK. If you put that on the free list, you could afford to cut down the price to the consumer?

Mr. LITTAUER. If you put it on the free list, then you could cut down the tariff on gloves, but that would not make any difference as long as you would make it a compensatory tariff. It would make the article to the consumer just that much less.

Mr. CLARK. You understand a great many of these witnesses have paid no attention to the thing you have paid a great deal of attention to first and last. What I want, from my standpoint, is to make the article cheaper to the consumer and increase the revenues to the Government.

Mr. LITTAUER. You can increase the revenue on gloves by a little fair consideration of these different articles.

Mr. CLARK. But what I wanted to ask you following that other question was this—

Mr. LITTAUER. Yes, sir.

Mr. CLARK. If we put the raw material that is not produced in this country at all on the free list—

Mr. LITTAUER. No; it is not produced in this country.

Mr. CLARK. If we put that on the free list, then could you not stand a shave off the tariff and still be in as good condition really for manufacturing purposes as you are now?

Mr. LITTAUER. Absolutely, as far as we are concerned, if you only speak of me as a glove manufacturer.

Mr. CLARK. That is the first view of it. If the raw material is put on the free list and your percentage of protection was shaved down to, say, one-fourth of what it is now, would that still leave the articles cheaper to the consumer?

Mr. LITTAUER. The question of the article to the consumer, gentlemen, is one that it takes business experience. I have listened to a good many arguments here to-day, and some of them do not bear out my own experience. Gloves are sold largely for \$1 a pair, and then they jump to \$1.50 a pair and then to \$1.75 a pair. Now, if we sold our gloves—

Mr. CLARK. I want to ask you a question that I did not ask the shoe men, because there were so many others asking them questions and I did not want to spring it on them. They stated, substantially, about shoes what you now state about gloves, that they jump in price 50 cents at a clip. What sense is there in that sort of thing?

Mr. LITTAUER. None whatever; it is an outrage. It comes largely through advertising, fooling the consuming public by their advertisements, as many of the gentlemen here to-day showed you. But it is

a deplorable condition that a glove that is not good enough to sell for \$1.50 a pair had to sell for a dollar a pair, and at the same time that glove, it may be, only cost me 10 cents a pair less to manufacture than it does the glove I sell for \$1.50.

Mr. CLARK. And the same way about shoes?

Mr. LITTAUER. The same way about shoes. But those are the customs of the trade. Here we have had until a year ago a very high price of leather. The retailers continued to sell gloves at a dollar or \$1.50 or \$1.75. He is giving an inferior glove, but he has kept the same price.

Mr. CLARK. I want to ask you another question. Of course you understand that there is a deficiency in the Treasury?

Mr. LITTAUER. I do. It has been a serious consideration with me—

Mr. CLARK. I have not had time to see how much it was from time to time, because we have been working until midnight here on this committee; but, nevertheless, there has been a substantial deficit month by month. Now, nine-tenths—I think that is a low estimate to say nine-tenths—of all the men that have appeared before this committee have insisted either on retaining the present tariff rates or increasing them. You come and insist merely on retaining the rates. Now, if we are going to retain the tariff rate as a rule, or going to increase the tariff rate, then I would like for you or some other philosophical student of public affairs to tell us where we are going to get the revenue that we need for the purposes of the Government.

Mr. LITTAUER. Well, now, let us take gloves. I know something about gloves and so I will speak of them. A million dozen imported to-day. Consumption constantly growing. The American fellows get in on the ladies' gloves somewhat, even though we have not a fair compensatory tariff, because we have ingenuity, and we make a glove up this year, some new style of glove and sell it, but then next year the importer copies it and floods the country with that glove, and we are driven out of the market on that glove.

But take it on ladies' gloves. We will say a lady's glove of 17 inches in length pays \$4.75 a dozen duty. If that were raised to \$14.75 there would be just as many dozens come in under that duty. You would not, on an article of style and luxury of that kind, reduce the importation a single dozen. I can give you an example: A man came into my office last year and said, "How can these working girls afford to pay three dollars and a half a pair for these long gloves that they wear?" They buy them because style demands it. He gave me an illustration. He said that a girl came in and she had a pair of these gloves that cost her three dollars and a half. She said, "I am very proud of the way these gloves match my new suit, but I will have to do without lunches for several weeks in order to pay for them."

Mr. CLARK. She was a philosopher.

Mr. LITTAUER. That was her statement as repeated to me. Now, it has gotten to be that in articles of luxury and style you can pile on the duty and not decrease the importation.

Mr. CLARK. Your idea, then, is to increase this tariff on luxuries and get more revenue?

Mr. LITTAUER. And get more revenue. You can get more revenue in that way.

Mr. CLARK. There are a good many trades——

Mr. LITTAUER. Oh, yes; there are a good many trades in which you can not do it——

Mr. CLARK. Wait a minute until I finish. Incidentally, I wish you could make Americans wear only gloves that have been made in America.

Mr. LITTAUER. I am glad to hear you say that, sir.

Mr. CLARK. But there are a good many businesses in which there are no fantastic grades like that. How are you going to get an increased revenue out of those businesses?

Mr. LITTAUER. I will tell you. The consuming public in America, as prosperity goes on, is consuming more and more——

Mr. CLARK. But prosperity is not going on.

Mr. LITTAUER. Oh, it has gone on since election day, permit me to say. [Laughter.]

Mr. CLARK. Is it not true that this hullabaloo about increased prosperity is all paid material in the newspapers?

Mr. LITTAUER. No. Until the beginning of November my own firm, a considerable glove-manufacturing firm, was only producing 60 or 65 per cent month after month this year of what was produced and sold last year, and since election day we can not get enough workmen to do our work. We have been flooded with orders. Confidence——well, I do not want to go on in that style, but if you will look at the Gloversville Leader, you will see a column of wants where there are not enough workers on gloves to supply the demand.

Mr. CLARK. I can understand that, and these Republican business men entered into a conspiracy—— [Laughter.]

Mr. LITTAUER. Oh, no——

Mr. CLARK. Wait a minute. To hold off orders until after the election for the purpose of influencing the election.

Mr. LITTAUER. I have known you long enough to know that you will give me the credit of stating what I believe to be true.

Mr. CLARK. Yes.

Mr. LITTAUER. I have never been so impressed with the effect that sentiment has upon trade as I have been with the result of the present month of November. We had a panic coming on out of a clear sky a year ago, from commercial and industrial conditions, that was not warranted at all. It was financial and otherwise. And yet all confidence was destroyed and our business came to a standstill. It is the first time that I can remember that I have had to lend money to workmen in order to let them get through the winter and spring. We did not have the work to give them.

Mr. RANDELL. Have they not saved anything during the time they have been earning money?

Mr. LITTAUER. Some of them have, but we have improvident workmen as well as provident workmen.

Mr. RANDELL. Most of them did not save anything?

Mr. LITTAUER. Most of them have saved something.

Mr. CLARK. That panic happened under the high tariff called the Dingley law?

Mr. LITTAUER. Yes.

Mr. CLARK. And you have not any higher tariff now?

Mr. LITTAUER. No.

Mr. CLARK. And the prospects are that you are not going to get it higher than that.

Mr. LITTAUER. The panic had no more to do with the Dingley bill than I had; the panic had nothing to do with the Dingley bill or the rates of duty that had been in effect.

Mr. CLARK. It is a poor rule that does not work both ways.

Mr. LITTAUER. Well, it may be true, but in this instance we went through years of high prosperity, and everyone in the country that wanted to work found work, and that was under the Dingley bill. Then we came to this awful jumping over the precipice, and we got such a shock that industry remained paralyzed until the happening of the Presidential election, which restored it.

Mr. CLARK. I will ask you another question on that line, and then I will quit.

The CHAIRMAN. I was going to suggest you put it off until the next Presidential election.

Mr. CLARK. It must be, then, that you manufacturers and users of manufactured articles had a pretty well settled idea in your heads that the next Congress was going to raise the tariff rather than lower it?

Mr. LITTAUER. No.

Mr. CLARK. Or this wonderful and marvelous renaissance—if that is the right word for business—

Mr. LITTAUER. Oh, no; if you hold the tariff bill up too long in this committee, it may cause some little stop on the business; but I hope you will not do that. I will not go into a general discussion on the tariff; of course that is not my privilege. I would like to controvert thoroughly, though, the idea that we can not make ladies' gloves in this country if you give us a proper compensating duty.

Mr. CLARK. What do you mean by proper compensating duty?

Mr. LITTAUER. Just enough to cover the difference between the price we pay for labor on a dozen gloves here and that paid in the main producing countries of Europe, and 20 per cent on leather; that is what I mean.

Mr. UNDERWOOD. You are making them now, are you not?

Mr. LITTAUER. We make some ladies' gloves.

Mr. UNDERWOOD. How much, in proportion to the importation of ladies' gloves; how many are made in this country?

Mr. LITTAUER. Oh, 5 or 6 or 7 per cent; I could not tell you exactly offhand. It is an accidental business; that is, men of ingenuity come along and now and then get some business, and then we have developed a style here.

This is the ordinary man's glove worn [indicating]. We have copied it in the ladies' gloves. We make these mannish gloves for the ladies, and they fit well, and they have taken over here.

These two gloves, this class of men's gloves, pays \$4.80 a dozen duty. The leather in that pair of gloves per dozen would cost about \$1.75 for duty. So you have got to deduct from your \$4.80 \$1.75, and then you get the difference between the labor cost here and in Europe.

There is a ladies' glove [indicating]. That lady's glove would pay \$2.25 a dozen duty. The difference in the cost of the leather is nothing. We can use larger skins for this glove [indicating], larger, coarser skins, and finer, smaller skins for this glove [indicating]. So the duty is about the same.

It costs us just the same to cut each one; it costs us just the same to seam them; it costs us just the same to sew them, and it costs us

just the same to finish them, and it costs us the same rate of duty on one as on the other, and we will make these gloves in America.

Mr. CLARK. I want to ask you a question about the stuff they are made of—

Mr. LITTAUER. They are made of Russian lamb skin.

Mr. CLARK. Do you say there is any place on earth where they use the sheep for the skin?

Mr. LITTAUER. Yes.

Mr. CLARK. In America sheepskin is a thing that is of hardly any consequence at all. Is that not true?

Mr. LITTAUER. You would not think that was true if you had to buy them as I do. The average rate in America to-day would be \$6 a dozen without the wool.

Mr. CLARK. We raise sheep in the United States for two purposes—wool and mutton. Now, you say that somewhere they raise them for the skins.

Mr. LITTAUER. The Speaker had a pair of gloves on to-day that came from a country where the sheep are simply killed for the hide, where they are pulled off and the carcasses are allowed to lie—

Mr. COCKRAN. What country is that?

Mr. LITTAUER. The table-lands of Abyssinia, where our President means to go hunting and where they produce this Mocha glove, this fine soft glove, an American product.

Mr. UNDERWOOD. In Abyssinia they kill them for their hides like we used to kill the buffalo for their tongues?

Mr. LITTAUER. And for their hides.

Mr. UNDERWOOD. But after the President has been there that condition will not exist any longer?

Mr. LITTAUER. I trust not.

I want to show you this gauntlet glove that I have referred to. This glove pays the same rate of duty as that glove [indicating]. It is eminently unfair that that should be so, when we have to pay 20 per cent on the skins.

Mr. CLARK. Gauntlet gloves are not a new invention in this country, are they?

Mr. LITTAUER. No; but these particular gauntlet gloves that are worn by automobile people are a new thing; the users of those gloves are willing to pay fancy prices for them. We have made buckskin gloves—gauntlet gloves—for many years.

Mr. CLARK. But these gloves that you refer to are used by automobile drivers?

Mr. LITTAUER. This importation of gauntlet gloves never took place until within the last few years, and we ought to have enough duty to compensate for the amount of leather used in their manufacture.

Here is a pair I bought in New York the other day for \$13.50. That would be \$162 a dozen. They pay 40 cents a dozen duty less than that glove, which is unfair.

Here is this squirrel lining. I have to pay \$5 duty on the lining in that, and yet the tariff only gives me \$1 a dozen for compensation.

Those are a few of the items, but the main item, gentlemen, is are we going to manufacture ladies' gloves in this country? We believe we will. We believe the wisdom of building up in ladies' goods what we have built up in men's goods will warrant you in making a general exception and adding to the duty on ladies' gloves, and I will come

back here, if I live, five or six years from now and show you that we have 25,000 more people at work on gloves in the United States.

Mr. COCKRAN. I understood you to say that if the gloves that paid \$4.75 a dozen should be taxed at a rate of \$14.75 there would be the same number brought in?

Mr. LITTAUER. Yes.

Mr. COCKRAN. What effect would it have on your industry then?

Mr. LITTAUER. None whatever. We do not compete. They are ladies' gloves of long length.

Mr. COCKRAN. As far as that is concerned, you are not interested at all in putting up the duty?

Mr. LITTAUER. We are not at all interested in putting up the duty on ladies' gloves until you get up to a point that will give us a compensating duty, when we can build up a ladies' goods business.

Mr. COCKRAN. I did not quite understand your definition of the compensating duty. Do you mean just the difference in the labor cost?

Mr. LITTAUER. I can give it to you itemized.

Mr. COCKRAN. I would like to hear it.

Mr. LITTAUER. We start out and buy the skins.

Mr. COCKRAN. Where do you buy them?

Mr. LITTAUER. In Russia.

Mr. COCKRAN. The skin of what animal?

Mr. LITTAUER. Lambskins. This is pretty nearly a sheep, and this is a lamb [indicating]. Then they are dressed in Germany, where they dress them superiorly to what we do here. If you take this duty off you are going to prevent the building up of the dressing business in this country.

Mr. COCKRAN. It does not exist yet, I understand?

Mr. LITTAUER. It does exist to a certain extent. There are gentlemen in this room—there is one gentleman over there who was alongside of my brother when these were bought in Russia. It would be rank injustice to their business—

Mr. COCKRAN. Let me understand about this dressing business. I understood you to say that these skins were dressed in Germany, with the exception of one establishment?

Mr. LITTAUER. No, no. There are a number of establishments here, but they dress them with greater elegance and fineness in Germany. I have found that I can have them dressed to better advantage over there. I have a tannery myself, and I have tried to tan them, and that tannery gives employment to a couple of hundred men—

Mr. COCKRAN. Following out your experience, you buy that skin in Russia, you say?

Mr. LITTAUER. Yes.

Mr. COCKRAN. Then it is taken to Germany and dressed?

Mr. LITTAUER. Yes.

Mr. COCKRAN. It pays a duty when you take it into Germany, does it?

Mr. LITTAUER. No; it does not.

Mr. COCKRAN. It is admitted free of duty to Germany?

Mr. LITTAUER. Yes.

Mr. COCKRAN. It is dressed there, you say?

Mr. LITTAUER. It is dressed there. Then it is sent to America. We pay a 20 per cent duty on it.

Mr. COCKRAN. What do you pay for that particular skin?

Mr. LITTAUER. The leather in that glove costs us, say, \$7 a dozen.

Mr. COCKRAN. Does that include the duty?

Mr. LITTAUER. That includes the duty. So we have paid probably \$1.25 a dozen; and if you figure that out, I think that will be about it.

Mr. COCKRAN. It costs you \$7; the leather costs \$7, including the duty?

Mr. LITTAUER. Then comes the next item, the preparing of the skins for glove making; the cutting of the skin; the punching of it in the form you have it there. Practically all our work is hand work. We pay by the dozen. Animals are like men; when you come to fine work, each skin has to be treated differently—that is, in the skin of one animal you may come to a wart and in the skin of another animal you come across a scar, and you have to cut around those things.

Mr. COCKRAN. How many skins enter into that glove [indicating]?

Mr. LITTAUER. This glove [indicating]?

Mr. COCKRAN. Yes.

Mr. LITTAUER. This character of skin will cut two pairs each of such gloves.

Mr. COCKRAN. Therefore, assuming the skin cost you \$7, imported, the actual cost of the skin in the particular pair costs \$3?

Mr. LITTAUER. No; I am talking about \$7 per dozen of gloves, not per dozen of skins. And then the way that would go would be the work we pay the cutter, then what we pay the puncher, and then what we pay the trimmer, and then comes the different trimmings on the back, which go into three different individuals' hands. Then the one who sews the glove. Finally, one who binds it, and one who puts on the fastener, and one who finishes it in its present shape. The difference between those items paid for here and those items paid for in Europe is what I call a compensating duty, together.

Mr. COCKRAN. I understand. Now, will you tell me what it costs you to have this work done here?

Mr. LITTAUER. I can give you that exactly. I have made out schedules from what I gathered in Europe and from what I have gathered here.

It costs to make this one glove that I have here in front of me \$5.49 in Gloversville and \$2.14 in Germany.

Mr. COCKRAN. \$5.49 here?

Mr. LITTAUER. Yes.

Mr. COCKRAN. And \$2.14 in Germany?

Mr. LITTAUER. Yes.

Mr. COCKRAN. Do you pay by the piece or by the day?

Mr. LITTAUER. We pay by the piece entirely. Every man gets recompense according to his individual work.

Mr. COCKRAN. And what is the difference?

Mr. LITTAUER. The difference would be \$3.35 labor cost.

Mr. COCKRAN. That much a dozen?

Mr. LITTAUER. A dozen gloves. And then add your duty—20 per cent of 6 is one-twenty—it would be nearly one-thirty duty. And you get the difference between the cost here and the cost in Europe. The duty is \$4.80—

Mr. COCKRAN. But the labor cost, I understand, is the difference between \$5.49 and \$2.14, which would be \$3.35. What is the duty?

Mr. LITTAUER. \$4.80.

Mr. COCKRAN. Then you have \$4.80 as against \$3.35.

Mr. LITTAUER. But I have to pay duty on this raw material, as I told you.

Mr. COCKRAN. What is the rate of duty now?

Mr. LITTAUER. Twenty per cent.

Mr. COCKRAN. And that would be how much in money?

Mr. LITTAUER. It would amount to about \$1.35. [After figuring.] \$1.25.

Mr. COCKRAN. So that is \$4.60?

Mr. LITTAUER. Yes; \$4.60.

Mr. COCKRAN. And the duty is about the same?

Mr. LITTAUER. The duty on the glove is \$4.80.

Mr. COCKRAN. You do not apply, as I understand it, for an increase in the duty?

Mr. LITTAUER. No; I do not ask an increase in the duty.

Mr. COCKRAN. You just want it as much as it is now?

Mr. LITTAUER. We have shown that we have got a full compensating duty on gloves, and it ought to remain as it is. There is no hardship to anyone. You can buy a better pair of gloves to-day for \$1 than you could twenty years ago when these gloves were brought in from abroad.

Mr. COCKRAN. How many men are there employed in the glove industry to-day?

Mr. LITTAUER. It has to be divided into two parts, gloves made for ordinary use and the fine gloves. These fine gloves give employment to 20,000 people in the United States. Your statistics show 17,000 people, but they are not right.

Mr. COCKRAN. Of fine gloves, 20,000 people?

Mr. LITTAUER. Yes, sir.

Mr. COCKRAN. What would be the difference in the cost to the consumer for that glove and the same glove sold, say, in London?

Mr. LITTAUER. It depends altogether on who sells it. I will not go into names, but if you go into one store I know of in New York it will cost you \$1.75, while in another store you can buy it for \$1.25. It is the same way in London. If you go on the Strand, for instance, you can buy this glove over there, a glove that would sell here for a dollar, and it would cost you over there probably 62 cents.

Mr. COCKRAN. The difference would be about 40 cents?

Mr. LITTAUER. Yes.

Mr. COCKRAN. That much difference in the actual cost to the consumer?

Mr. LITTAUER. Yes.

Mr. COCKRAN. But that is predicated upon the idea that they have no fixed market value. You pay for that according to where you happen to buy it?

Mr. LITTAUER. That is partly so; but they have a fixed wholesale value.

Mr. COCKRAN. Let us take the wholesale value, then. What does that glove cost wholesale here compared to what it costs wholesale abroad?

Mr. LITTAUER. The ordinary grade of glove, this glove, costs \$13.50 a dozen.

Mr. COCKRAN. It sells here for \$13.50?

Mr. LITTAUER. Yes.

Mr. COCKRAN. What do you suppose a glove like that would bring abroad?

Mr. LITTAUER. Probably \$9.50 a dozen.

Mr. COCKRAN. A difference of 50 per cent?

Mr. LITTAUER. About 50 per cent; yes.

Mr. COCKRAN. So the difference would be from 50 to 60 per cent?

Mr. LITTAUER. About 50 per cent.

Mr. COCKRAN. That is what it comes down to, to the consumer.

Mr. LITTAUER. Yes; gentlemen, I have detained you too long.

THE GLOVE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES SUGGESTS SCHEDULE FOR GLOVES.

WASHINGTON, D. C., *January 25, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Glove Manufacturers' Association of the United States desires to call your attention to the trade developments in connection with the tariff schedule on gloves, contained in paragraphs 439 to 446, both inclusive, of the Dingley Act. We are confident that your committee will discern that no industry in the United States has made, or can make, a more satisfactory showing under protection than the glove industry, to demonstrate which we review the history of this industry.

Before the McKinley Act of 1890 there was no glove industry in the United States competing in our markets with the foreign-made gloves. There had been, during the previous fifty years, developed the manufacture of gloves for workmen, but such gloves were made in this country only, as we are the only people in the world paying a sufficiently high rate of wages to enable the working man to indulge in the luxury of protecting his hands while at work. The workmen's gloves we manufacture are considered curiosities in other parts of the world, where no such articles are made or used, and to-day the manufacture of such workmen's gloves still remains the largest part of the glove industry, the census of 1905, showing that 65.3 per cent of American production was of the workmen's gloves.

Prior to 1890 the tariff on gloves was 50 per cent ad valorem. It was clearly demonstrated that under an ad valorem tariff no legitimate trade could be developed or continued here because of undervaluations, the business going into the hands of agents of foreign manufacturers, against whom the American importer could not successfully compete. The American dealer confined his purchases practically to the agents of importers, and the American manufacturer found no opportunity to compete with the enormous importation of men's and women's gloves. The ad valorem rate of 50 per cent gave no consideration to the theory of protection, but simply represented a tariff for revenue, and there was no glove industry in the United States making fine gloves under that rate.

In the consideration of the McKinley bill the question of giving protection, so as to build up an American industry, was thoroughly

investigated, with the conclusion that such opportunity was given on men's gloves, while leaving the women's gloves on a purely revenue basis. It was believed that the highly skilled labor necessary for the manufacture of women's gloves could not be found in the United States.

In the fiscal year 1890 there were imported 127,000 dozen pairs of men's gloves, paying a revenue of \$229,222.50. The McKinley bill imposed, in addition to the previous 50 per cent ad valorem rate, \$1 per dozen extra on men's gloves. From the date of its enactment the American fine-glove industry had its start, until to-day it has developed into an industry giving employment to 20,000 workingmen, scattered over the United States in 27 States, but mainly centered in Fulton county in the State of New York.

When in the course of events the consideration of a revised tariff, with the avowed purpose of enacting a tariff for revenue only, took place in 1893 under the chairmanship, in this committee, of Mr. Wilson, the business of manufacturing men's gloves had already made its start. The importation of men's gloves during the fiscal year 1893 amounted to 103,808 dozen pairs, paying in duties \$448,943.64, which was a reduction of 24,000 dozens under the importations of 1890. The schedules which were finally enacted under this Democratic revision of the tariff showed clearly that proper appreciation had been given to the need and justice of a protective tariff on men's gloves, and further, that a schedule, to be just and fairly complied with under the law, could not be based on ad valorem rates.

The Wilson bill of 1893 for the first time placed exclusively specific duties on gloves, and moreover, after the fullest and most careful study of the problem, gave increased rates of duty on men's gloves, while lowering the duty on women's gloves, in specific form, to about one-half the rates which maintained under the McKinley bill. At this point attention should be directed to the fact that the Wilson bill duties on women's gloves, which were only about one-half of the rates of duty imposed under the McKinley Act, did not increase the importation of women's gloves nor augment the Government's revenues, but had quite the contrary effect.

In 1893, under the McKinley Act, there were imported 1,314,862 dozen pairs, paying a revenue of \$3,252,653, while in 1896, under the Wilson Act, with its reduction of duties on women's and children's gloves, only 1,176,776 dozens of these gloves were imported, paying duties of \$2,075,548. These figures show that the lower Wilson bill rates did not increase the importation of this article of semiluxury, but on the contrary fewer women's gloves were imported under these lower rates and the government revenues decreased nearly \$1,125,000.

When the Dingley Act of 1897 was under consideration these facts were clearly presented, and a demand was made for the continuance of the duties on men's gloves which was agreed to. So the rates of the Dingley bill on men's gloves were exactly those of the Wilson bill, with the addition of the extra cumulative provisions on the more elaborately and expensively sewn and embroidered gloves. We were not able at that time to persuade Congress to place a compensatory protective duty on women's gloves such as had been given on men's gloves; and, although the duties on women's gloves were increased to some extent under the Dingley bill, they still remained purely

revenue duties and inadequate to provide protection to our manufacturers.

MEN'S GLOVES.

We desire at this time, however, to demonstrate the propriety of the compensatory rates of duty imposed under the Dingley Act on men's gloves and the necessity for their continuance.

The manufacture of men's gloves during these eighteen years of protection has gone on at a rapid rate, the American product of 1907 being fifty times greater than that of 1890. It now amounts to over \$10,000,000 and gives employment to at least 16,000 working men and women. We pay true American rates of wages; our working men and women living in the foothills of the Adirondacks work ten hours a day; the men earn from \$2.50 to \$4 per day and the women earn from \$2 to \$3.50 per day.

United States Consul Mason reported to the State Department that in Grenoble, France, the center of the glove industry in that country, the women glove workers earned from 40 to 60 cents per day, and the men earned from \$1 to \$1.20 per day. Consul James E. Dunning reported from Milan, Italy, that the wages paid in Italy for work on gloves are: To girls 20 to 40 cents and to women 40 to 60 cents per day.

We pay the men who cut our pique made gloves 95 cents per dozen, while in England for the same work is paid 36 to 45 cents per dozen. We pay for cutting our overstitch made gloves 88 cents per dozen, while in Germany they pay for the same work 32 to 40 cents per dozen. We pay our women to sew pique gloves complete \$2.37 per dozen, as against 89 cents to \$1.05 paid in Europe. For pique-seam made gloves we pay the sewers \$2.42, while for the same work in Europe is paid \$1.19 to \$1.26. For the sewing of overstitch gloves we pay \$1.62, while in Germany 48 to 56 cents is paid for the same work.

The work is all conducted on a piece price basis, so that individual efforts finds its just measure of compensation. It is an industry without a single trades union connected therewith, and the rate of wages are uniform throughout the industry, settled by conference between the manufacturers and workers.

During these eighteen years real estate values in our chief glove manufacturing cities have increased 44 per cent, and 81 per cent of the heads of families in those communities own their own homes. In the last ten years the interest-bearing savings deposits in the banks of these cities have increased 212 per cent; and in the five years from 1900 to 1905 wages increased 23.3 per cent. They are contented communities, wherein the workingman of to-day is the manufacturer and employer of labor to-morrow.

Three hundred and twenty-nine factories produce leather gloves in the United States, and under the most active American competition. There never has been a combination of the manufacturers regarding the price of their product, and no trust has ever been formed or now exists. No single factory is of much greater extent than any others. The percentage of profit to the manufacturer has been a low one, and the industry has developed no millionaires.

The men's gloves manufactured in the United States give the consumer a better quality for less money than when, before protection, such gloves were imported. Our gloves are durable, better fitting,

better sewn, and neater in appearance than any that were ever sold in this country prior to 1890 for a like price. The compiler of "General information" of your committee, under paragraph 439 states: "The skill of American glovers is equal, in every respect, to that of foreign glove makers, and, in the style of stitching and shape, notably superior."

However, despite the constant growth of the domestic manufacture of men's gloves under proper compensatory protection, your attention is particularly called to the fact that there are imported to-day, of men's gloves, practically as many dozens as in 1890, and more than were imported in 1896.

The statistics of importations for the year 1907 show that, during that fiscal year, 108,304 dozens of men's gloves were imported, paying revenues into the Treasury of the United States of \$518,482.62, in comparison with 103,808 dozens imported in 1893, before the inauguration of the Wilson bill rates—a clear, positive proof that the Wilson rates, which, as stated before, were continued identically under the Dingley bill, have proved not to be in the slightest degree prohibitive, but on the contrary show that no Chinese wall has been built by the Wilson-Dingley rates around the importation of foreign-made men's gloves.

Your attention is also called to the fact that the \$4 per dozen rate enacted in 1893 and continued under the tariff act of 1897, does not mean nearly as much protection to-day, to domestic manufacturers, as it meant when those bills were passed. This for the reason that the rate of duty protecting gloves is a compensation, not only for the difference in cost of labor and production in the United States as compared with Europe, but it also covers the cost of 20 per cent duty paid by our manufacturers upon dressed leather—the raw material of the glove-manufacturing business. The cost of dressed leathers since 1893 has advanced 30 per cent; since 1897 has advanced 25 per cent. Consequently the protection, given in the specific rate of \$4 per dozen on men's gloves, is from 40 cents to 50 cents less compensatory protection per dozen gloves to-day than when that rate was written into law.

The lamb, sheep, and goat skins of the United States are not suited for the making of fine gloves. Our raw material is found in the Balkan Peninsula, on the steppes of Russia, and the mountains of Spain, where the lambs and sheep are raised more for their skins than for their wool and the meat, as is the case in our own country.

Another point in connection with men's gloves, to demonstrate clearly how closely the rate of duty placed upon this article controls the importation of competing gloves made in Europe: Despite efforts to show that a higher rate of duty was needed on men's gloves made of goatskin than those made of lambskin, the rates were made the same in the Dingley bill. What has been the result? In the importations of 1907, men's gloves made of schmaschen were imported to the extent of 939 dozens, the rate of duty being \$3. This quantity is so inconsequential that this separate classification should be eliminated in the bill you will prepare. The rate of duty on men's gloves, made of the cheaper lambskins and the costlier kidskins, is \$4 on each. The results show that the lambskin rate is a compensatory one, while the kidskin rate is not, for there were imported of men's lambskin gloves 3,837 dozens in 1897, while of men's kidskin

gloves the importation amounted to 103,597 dozens of pairs. This is quite conclusive proof that the foreign manufacturer has taken advantage of the inequality of the tariff and demonstrates that \$4 per dozen on kid gloves is not a full compensatory rate.

IMPORTATIONS OF MEN'S GLOVES.

Year.	Dozen.	Rate of duty.	Duties collected.	Basis.
1890	127,000	50 per cent.....	\$229,222.50	Revenue only.
1893	103,808	50 per cent plus \$1....	448,943.61	Protection.
1905	89,020	\$3-\$4-\$4.....	425,847.26	Do.
1907	108,000	\$3-\$4-\$4.....	518,482.62	Do.

A matter of serious concern, and one that we believe should have your attention, is our experiences under paragraph 445—cumulative rates—of the existing tariff schedules.

The present duty on men's gloves covers all lengths and sizes at one uniform rate. The introduction of the automobile has brought a demand for men's gloves of fine character with gauntlet cuffs of varying lengths. These gauntlet cuffs frequently contain more leather in the cuff part than in the hand part of an ordinary glove. Twenty per cent duty must be paid by us on leather used in such cuffs, as well as in the hand section of these gloves, and the business of their manufacture will go entirely to foreign manufacturers unless a proper compensation be allowed for the duty paid on the extra amount of leather and the extra labor cost involved in their production.

The ordinary length of a man's glove is 10½ inches and never exceeds 11. Therefore, to correct these inequalities between foreign and domestic manufacturing costs, and to render this class of gloves revenue producing in more equitable proportion to its cost, we propose that, for each additional inch or major part thereof in length above 11 inches, men's gloves shall pay an extra cumulative duty of 50 cents per dozen pairs.

We have investigated the cost of these gauntlet gloves, in comparison with the ordinary length men's glove, and find that, while the ordinary men's glove can be purchased in Europe for from \$7 to \$9 per dozen pairs (from 28, say, to 36 shillings or marks), the gauntlet gloves cost there from \$19 to \$29 per dozen pairs (from 76 to 116 shillings or marks). The injustice done to the American manufacturers to permit these gauntlets, of nearly three times the cost of the ordinary glove which was under consideration when the Dingley bill was framed, to come in at the same rate must be manifest to you.

In this connection your attention is also called to the fact that gauntlets made of fur with leather palms are also assessed, under the present schedule, at the same rate as the ordinary short gloves, so that the gauntlet which is purchased in New York at \$13.50 a pair, pays no more for duty than the ordinary lined glove which would be sold for \$1.50 per pair—a manifest disproportion which should be corrected.

Another item to be considered is lined gloves. Such gloves pay \$1 per dozen extra cumulative duty under the present tariff. We believe that this deserves correction. In the first place, the leather required to make a dozen lined gloves is easily 10 per cent more than

the leather used in unlined gloves, on account of the greater circumference required. But the main difference between the lined and unlined glove arises from the character of the lining. Linings of gloves consist of fabrics of cotton, wool, or silk, and linings made of other skins, from skins with wool or fur on; those most largely used being the skins of lambs, of rabbits, coons, and squirrels. Such skins for linings are of foreign origin, and upon them a duty of 20 per cent has to be paid by American users.

Taking the figures of one of the most celebrated foreign makers, we find that his unlined glove, of a given description, is sold at 28 shillings, or \$7 per dozen; when lined with wool, 38 shillings, or \$9.50; when lined with lambskin, 63 shillings, or \$15.75; when lined with coon, 103 shillings, or \$23.75; when lined with squirrel, 156 shillings, or \$39 per dozen. It is clearly evident that these fur-lined goods, costing up to \$39 per dozen pairs, should pay a different rate of duty than the wool-lined gloves that cost \$9.50. On the squirrel-lined glove (shown here) the extra duty for lining is \$1 per dozen pairs, while the domestic manufacturer who would produce this glove must pay a duty of \$5 per dozen on the skins alone from which these linings are cut. We therefore suggest that a proper schedule of duty for lined gloves would be: "On all gloves when lined with cotton, woolen, or silk fabrics, \$1 per dozen pairs; when lined with skin or fur, \$5 per dozen pairs."

The \$5 per dozen would not be a full protective rate on the skin or fur lined gloves, as the skin which forms the lining has to be cut with an equal amount of care to make it fit according to size, as the leather forming the outside of the glove is cut, and there is an additional cost of labor in sewing the lining, which is mainly done by hand.

COMPARATIVE COST OF GLOVES AND GAUNTLETS.

Kinds.	Gloves, Europe.	Gauntlets, Europe.	Duty on gloves and gauntlets (highest).
	<i>s.</i>	<i>s. s. d.</i>	
Unlined	28=\$7.00	76-116 6=\$14-\$28.87	\$4.80
Wool lined	38= 9.50	84 0= 21.00	5.80
Knit lined	41=10.25	87 0= 21.75	5.80
Lambskin lined.....	63=15.75	100 0= 25.00	5.80
Coon lined	103=23.75	136 0= 34.00	5.80
Squirrel lined.....	156=39.00	178 0= 44.50	5.80
Furlined		203 0= 50.75	5.40

This brings us to another development in the trade. Since the Dingley tariff was enacted there has developed a growing demand for "hand-sewn" gloves—gloves with the elastic stitch and extreme "mannish," or what is called "English appearance." These gloves are sewn in England, throughout the country districts, where the uniform price of 4s. 6d. per dozen pairs, or \$1.08, is paid for the sewing. Hand work of this character in our country leads to an entirely different rate of remuneration, and despite the fact that our gloves are distributed to the farm houses 20 to 30 miles from our factories, where they are sewn by the farmers' wives and daughters, we pay \$3.50 per dozen for this work. A diligent woman can make but 5 pairs per day. The difference then between the American

rate of wages and the English rate for hand sewing is \$2.40 per dozen. It is obvious that any rate less than \$1 per dozen pairs additional tariff on this hand-sewn glove would give this business entirely to the foreigner, and that no rate of less than \$2 per dozen would make it an American industry.

The cumulative rates on pique and prixseam gloves in the McKinley bill were 50 cents per dozen, but in the Dingley bill were lowered to 40 cents per dozen. We could prove from a comparison of the wages paid here and abroad that the lower rate is not fairly compensatory. But the American manufacturer, recognizing the favorable situation in which the tariff has aided in placing him, does not seek to impose extreme duties, believing that his ingenuity will count for something in the competition against his foreign competitor.

The record of the development and growth of the men's glove business in the United States in the last eighteen years, we believe, sustain the contention and statement first made, in which we declared that no industry could make a better showing under protection than has this. Importations have continued about as large in dozens; the revenues paid are greater than before protection; an industry giving employment to thousands of American working men and women at full American rates of wages has been developed. To lower the rates on men's gloves would destroy these conditions. The duty paid on leather, as we have pointed out, is constantly increasing per dozen gloves. The profits made by the manufacturers show conclusively that the manufacturers are subjected to exceedingly sharp competition by hundreds of energetic American business men. The very nature of the business precludes anything like a combination or a trust. Individual effort and individual style count for much in this industry, and any reduction in the rate of duty would mean either the elimination of the industry or the reduction of the laboring men and women.

WOMEN'S GLOVES.

A consideration of the tariff on women's gloves must proceed logically from two standpoints:

First, the consideration of the present classification and rates, which represent nothing but a tariff for revenue.

Second, the consideration of a protective or compensatory tariff.

We will first comment on it from the standpoint of experience had in connection with the classification and rates under the existing revenue tariff. Paragraph 440 deals with schmaschen gloves. This is the adoption of the German designation for stillborn or dropped lambs—the skins of animals that have never been fed. They make a fine smooth-grained leather, of little or no strength, and are, of course, small in size. The number of these skins is constantly decreasing, from the better care given to the flocks, and the prices of the skins have been advancing rapidly during the past ten years. The line between the skins of unfed lambs and fed lambs is almost indistinguishable, and it leads to the result of many irregular lamb-skin gloves being imported at the lower schmaschen rates.

We find that the cost of a dozen women's schmaschen gloves and a dozen women's gloves made of lambskins of the second quality are the same wherever these gloves are made. We present herewith a letter received by a domestic manufacturer from a reputable manu-

facturer of Europe, a printed trade-letter, offering schmaschen gloves and lambskin gloves of second grade at the same price. It has been claimed that this schmaschen glove is the glove of the poor person and of the working women who can not afford the higher-priced glove. The present rate of duty is 6½ cents a pair less on a schmaschen than on a lambskin glove, yet in reality it is sold in the smaller stores throughout the country at practically the same price per pair as the lambskin glove, and it does not give one-fourth as much wear or use.

In our opinion, the entire paragraph covering women's schmaschen gloves should be eliminated, and especially should the longer lengths of schmaschen be wiped from the tariff schedules.

In 1896 there were 337,300 dozen pairs of schmaschen gloves imported into this country, of which 558 dozen pairs only were longer than 14 inches. In 1905 there were 170,849 dozens imported, of which only 49 dozens were longer than 14 inches. There never has been 1 per cent of schmaschen gloves made longer than 14 inches, so that it is simply filling up the tariff schedule with rates devoid of consideration of their benefit as revenue producers or otherwise to continue the rates on longer lengths.

And this brings us to a consideration of the classification of the lengths of women's gloves. The present schedules are: Gloves of 14 inches in length and under, gloves over 14 to 17 inches, and gloves above 17 inches.

Women's gloves are, generally speaking, a matter of luxury when they are of a greater length than 11 inches—the 3-button glove. They become, in longer lengths, purely an article of luxury, largely dependent for their demand upon the style of sleeves in vogue for women's apparel, and the greater the length the greater the luxury. Whether under a revenue tariff, such as now exists on women's gloves, or under a protective tariff, this article of greater length and luxury should be subject to increased rates of duty in proportion to the luxury afforded.

Our opinion is that a sensible change and reasonable tariff would be to assess one rate of duty on women's gloves which are not longer than 11 inches (the 3-button length glove) and fix an additional cumulative rate of duty of 50 cents a dozen pairs for each inch or greater portion thereof in excess of 11 inches in length.

Surely the woman who wears a glove that reaches to her shoulder should pay a much higher proportionate rate of duty than is paid on the glove which reaches only to the wrist, or proportionately to the elbow. Under the present tariff, a pair of gloves that reach to the shoulder pays a duty of 12 cents a pair more than the glove that reaches to the wrist, while it sells for from \$2 to \$3 per pair more than the wrist-length glove—manifestly contrary to the recognized basis of taxation in connection with luxuries.

You should consider, too, that style plays an important part in connection with women's gloves. During the past few seasons women have worn short-sleeve gowns and waists, and the effect of this style is plainly shown in the length of the gloves used.

In 1896, of lambskin gloves over 14 inches, but not over 17 inches in length, 11,580 dozens were imported; in 1905, 4,370 dozens; in 1906, 27,800 dozens; and in 1907, 51,500 dozens. Of the same gloves,

over 17 inches in length, in 1896, there were imported 1,606 dozens; in 1905, 1,538 dozens; in 1906, 4,500 dozens; and in 1907, 162,500 dozens. In the higher priced kid gloves this use was more pronounced, for in gloves over 14 inches and not over 17 inches in length 18,171 dozens were imported in 1896; in 1905, 2,650 dozens; in 1906, 16,100 dozens; and in 1907, 119,100 dozens.

These figures clearly demonstrate that women are not guided by the cost in purchasing gloves, but by the style of the day as governed by sleeve lengths, which is conclusive as to their being articles of luxury.

Paragraphs 443 and 444 of the present schedule concern gloves with the exterior grain surface removed, known in the trade as suede gloves. This classification is unwarranted. It is a matter of style largely whether gloves have the exterior grain surface removed or otherwise. These gloves cost in the market, in ninety-nine cases out of a hundred, exactly the same as the glove which has the grained surface on. The skins are a fraction cheaper, but the extra work required to give the smooth finish to the glove, when the exterior grain has been removed, renders the cost of them identically the same. Women's suede gloves of 3-button length are assessed at the same rate of duty as the gloves of 10-button length. This is an unwarranted distinction against glace gloves—an inequality that in fairness demands correction.

The vitally serious matter in connection with the glove schedule is: Would Congress be warranted in placing protective and compensatory rates of duty on women's gloves in the new tariff bill under consideration, such as have existed during the last eighteen years on men's gloves?

The duties to-day on women's gloves are purely revenue duties; yet we are making some women's gloves, probably from 5 to 10 per cent as many as we make of men's gloves, while the use of women's gloves is over five to ten times greater than the use of men's gloves.

There are 1,000,000 to 1,200,000 dozens of women's gloves imported into this country annually. The ingenuity of our manufacturer occasionally creates some new and attractive style of glove which women wear—some specialty, not made in Europe, such as the "mannish" styles of durable gloves and gauntlets that are now being worn in the United States. But the American manufacturer can only enjoy the benefit of his work and originality for a short period. As soon as it is demonstrated that any new style of women's glove meets with popular favor then the business of manufacturing it is promptly transferred to Europe and the resulting product is sold on our market for from \$2 to \$3 per dozen less than it can, under our rate of wages and cost of leather, be made for in this country.

You must always bear in mind that all leathers used in the manufacture of fine gloves must be of fine grain, and particularly so in women's gloves, and that on such leathers there must be paid a duty of 20 per cent. The 20 per cent duty paid on leather used as raw material equals from 75 cents to \$1.75 per dozen pairs of gloves, in proportion to the grade and kind used. This is the first handicap that the United States manufacturer starts under who would make women's gloves.

And now as to the manufacturing cost. We submit a pair of men's gloves and a pair of women's gloves. The woman's glove, it is ad-

mitted, takes a little less leather than the man's glove, but the leather must naturally be of a finer character with a closer, finer grain, which is obtainable only from a smaller sized skin, and in the end costs identically the same as that used in the production of the man's glove. To cut this glove, to silk it, to sew it, costs identically the same as the man's glove, whether in Europe or America. Labor is paid identically the same for the woman's as for the man's, and this is clearly admitted in all of the schedules of cost presented in the glove importers' brief. The finish on the women's gloves in the way of trimmings, etc., must, as a rule, be a little finer and more costly than on the men's.

Why then under the policy of protection declared in the Republican platform should there not be the same compensatory rate of duty on women's gloves as on men's? We claim that there is no fair and good reason for any discrimination in tariff rates as between men's and women's gloves.

In justice to the American working men and women, to the glove manufacturer, to the consumer, we ask that in the tariff act to be framed a proper compensatory duty be placed on women's gloves instead of the revenue duties, so called, of past and the existing tariff.

With a compensatory tariff on women's gloves, it will prove as it has with men's: First, that the total dozens imported will not materially decrease. Second, that the revenues collected will not decrease. Third, that the domestic industry, under protection, will take up the constantly growing consumption of gloves. Fourth, that better gloves will be sold to the consumer, of American make, at any given price, than were heretofore sold of foreign make.

The compensatory protective tariff on men's gloves has given employment to 20,000 workers. A like compensatory duty on women's gloves will give employment to 50,000 more at the same full American scale of wages, and the consumers will pay no more for their ordinary gloves than they pay to-day. The glove that is to-day sold for \$1 per pair, or under, will continue to be sold at that price even if the rates of duty are increased from 6 cents per pair to 15 cents per pair. On the stouter and heavier grades of "mannish" gloves, the consumer would actually be benefited in being offered a superior and more durable article, equally attractive to the eye and taste, while the gloves of luxury would, without doubt, still be imported and sold to those who can well afford to pay a protective tariff.

There are a great number of people in the United States saturated with the notion that a glove made in a foreign land, like a gown made in Paris, has by some magic had imported to it something indefinable that is not to be found in the domestic article. To meet this prejudice many of the dealers in the United States stamp the gloves made here as though they were imported.

We hazard the assertion that, if proper protective, compensatory rates on women's gloves were enacted into the new tariff bill, we would have the same experience with women's gloves that has been the case with men's gloves. The industry would grow prodigiously. We would have 25,000 or 50,000 more Americans kept steadily at work making these women's gloves, and yet the importation of these gloves would not diminish any more than has the importation of men's gloves diminished under protection. Surely no consummation

is more devoutly to be wished for by workers, consumers, and proprietors.

The increased consumption of this article of semiluxury, through the enhanced purchasing power of the people of the United States, would still permit, in women's gloves as it has in men's gloves, the development of this new industry; and without diminution, within a few years, of the quantities now imported.

Reasoning from the experience with men's gloves, we are confident that the Government's revenues would increase under the duties we propose, first, because importations would not diminish, and, second, from the increase of revenues from the greater consumption of dressed leather.

It is a fact to be remembered that, under the lower revenue rates of the Wilson bill, the importation of women's gloves did not increase. It is not a question of 6 or 15 cents more per pair in the cost of gloves between the lower rates of the Wilson bill and the higher rates of the McKinley bill or of the Dingley law; but the consumption of women's gloves, as a semiluxury, is dependent upon style as well as upon the prosperity and purchasing power of the people. This we have clearly demonstrated by the statistics on such importations.

We appeal to you for calm, patient investigation and consideration of this important subject, not wholly in behalf of the American glove manufacturer, but in behalf of the laboring men and women of the United States who, under a fair and just compensatory duty, would find employment on work which justly belongs to them according to the principles we believe in, and in behalf of the consumers who, under protection, will get better, stronger, and neater gloves for the same price than ever before.

ANSWER TO STATEMENT FILED BY IMPORTERS.

In answer to the brief submitted to you by the importers of gloves: We declare that the existing rates of duty on men's gloves is not, as asserted by the importers, prohibitive; and that it is not a fact that "very few leather gloves for men are imported, but are nearly all made in the United States." This we have proved by the citation of the quantities of men's gloves imported into the United States, which are as follows:

	Dozens.		Dozens.
1890.....	127, 000	1905.....	89, 020
1893.....	103, 808	1907.....	108, 304
1896.....	61, 925		

We quite agree that the avoidance of litigation on tariff subjects is to be desired, but we submit that there has been little or no litigation on the glove schedule, except on the one item in paragraph 445 concerning the interpretation of the embroidery clause, which can and should be written in clear language in the new bill and thus answer this criticism.

We deny that the extra cumulative duties to paragraph 445 exceed the cost of the work to which they refer, in proof of which we submit these comparative cost figures:

Cost of sewing.

	United States.	England.		Germany.		France.	
		Cost.	Equivalent.	Cost.	Equivalent.	Cost.	Equivalent.
Piqué.....	\$1.40	\$0.54	<i>s. d.</i> 2 3	\$0.48	2 marks.	\$0.50	2.50 francs.
Prixseam.....	1.30	.54	2 3	.48	do	.....	.....

Affidavits from workers herewith prove these figures.

While the importers claim that piqué sewing in the United States is 20 cents and prixseam sewing is 30 cents more than overseam, we actually pay for overseam work 75 cents, for piqué \$1.40, and for prixseam \$1.30.

That the duties on women's gloves are not protective, but for revenue only, is admitted by the importers; and upon that they base their argument for lower duties in the consumer's behalf without conflicting with domestic interests.

It is true that children's gloves require less leather in their manufacture than women's, but they do not cost less for labor employed in their production, and if children's gloves were assessed at a less rate of duty than women's, all small sizes of women's gloves would be brought in as "children's," as was formerly the practice.

We further deny that lower rates on women's gloves would increase their importation and augment the revenues collected thereon, and in support of that denial offer this conclusive evidence:

IMPORTATIONS.

Year.	Act.	Total doz-ens.	Total duties paid.
1893.....	McKinley	1,314,862	\$3,252,653
1896.....	Wilson	1,176,976	2,075,548
1907.....	Dingley	1,186,569	4,243,463

The Wilson bill rates on women's gloves were about one-third lower than the McKinley bill rates and nearly one-half lower than those of the Dingley Act. These lower Wilson rates did not encourage importation nor increase the duties paid as the foregoing figures show.

It would injure or destroy the small manufacturing business in women's gloves in this country to have the present rates on these gloves reduced. To foster the upbuilding of this business in the United States the rates on women's gloves should be put on a compensatory, protective basis, the same as on men's. The argument that the tariff rates should be the same on women's gloves as on men's is supported by the importers' tables of fabrication costs in which it is plainly admitted that the cost is the same for women's as for men's gloves. Why, then, should there be a difference in the rates of duty on men's and women's gloves when it is proved that the rate on men's gloves is only fairly compensatory and protective, and in no way prohibitive, as demonstrated by the fact that the importation of men's gloves did not decrease in quantity from 1890 to 1908.

PROPOSED SCHEDULE.

PARAGRAPH 439.

Gloves: Gloves, made wholly or in part of leather whether wholly or partly manufactured, shall pay duty at the following rates, namely: On gloves not exceeding 11 inches in length, \$4 per dozen pairs; on gloves exceeding 11 inches in length, an additional duty of 50 cents per dozen pairs for each inch or major portion of an inch in excess of said 11 inches, the length in each case being the extreme length when stretched to its full extent.

PARAGRAPH 445.

In addition to the foregoing rates there shall be paid the following cumulative duties: On all gloves, wholly or in part of leather, when lined with cotton, woolen, or silk fabrics, \$1 per dozen pairs; when lined with skin or fur, \$5 per dozen pairs; on all piqué or prixseam gloves, 40 cents per dozen pairs; on all hand-sewn gloves, \$1 per dozen pairs; on all gloves having crows' feet stitched, sewn, or silked on the backs thereof, or having stitched, sewn, embroidered, or silked on the backs thereof points, each point consisting of more than a single row of stitching, sewing, embroidery, or silking, whether the same be continuous or otherwise, 40 cents per dozen pairs.

PARAGRAPH 446.

Glove trunks, with or without the usual accompanying pieces, shall pay 75 per centum of the duty provided for the gloves in the fabrication of which they are suitable.

Respectfully submitted.

GLOVE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES.

EXHIBIT A.

AFFIDAVIT AS TO WAGES RECEIVED IN ENGLAND AND IN THE UNITED STATES FOR PIQUÉ WORK.

STATE OF NEW YORK,
County of Fulton, ss:

Rose Davis, being duly sworn, deposes and says that she resides at No. 6 Beach street in the city of Gloversville, N. Y.; that she came to America from England in the month of August, 1907; that for twenty-five years prior to coming to America she worked on gloves for Radcliffe & Dents, at Worcester, England, doing piqué work and received for doing such work 2s. 6d. per dozen pairs; that since arriving in America she has been employed by P. P. Argersinger & Co., at Johnstown, N. Y., and J. C. Allen & Son, at Gloversville, N. Y., and has performed the same kind of work that she did in England as above mentioned; that for the same work for which she received 2s. 6d. in England she has received \$1.40 in America; that since arriving in America deponent has received letters from her sister, who still resides in England, in which her sister states that for the same work that deponent received 2s. 6d., when deponent was working in England, the same concerns are now paying 2s. 3d.

ROSE DAVIS.

Subscribed and sworn to before me this 20th day of November, 1908.

[SEAL.]

MERRILL B. ALLISON,
Notary Public.

EXHIBIT B.

AFFIDAVIT AS TO WAGES RECEIVED IN ENGLAND AND IN THE UNITED STATES FOR
"PRIXSEAM" WORK.

STATE OF NEW YORK,

County of Fulton, ss:

Bessie Palmer, being duly sworn, deposes and says that she resides at No. 86 Third avenue, in the city of Gloversville, N. Y.; that she came to America from England in the month of August, 1907; that for years prior to coming to America she worked on gloves for Clothier & Giles, Underlane, Yeovil, England, doing "prixseam" work, and received for doing such work 2s. 3d. per dozen pairs; that since arriving in America she has been employed by Lefi & Co., at Gloversville, N. Y., and has performed the same kind of work that she did in England as above mentioned; that for the same work for which she received 2s. 3d. in England she has received \$1.30 in America. Deponent further swears that her relatives have worked for years, and are working at the present time, sewing hand-sewn gloves, for which they receive 4s. 6d. per dozen pairs.

BESSIE PALMER.

Subscribed and sworn to before me this 25th day of November, 1908.

[SEAL.]

ARTHUR L. GRAFF,
Notary Public.

EXHIBIT C.

AFFIDAVIT AS TO WAGES PAID IN THE UNITED STATES FOR HAND-SEWN GLOVES.

STATE OF NEW YORK,

County of Fulton, ss:

Albert Aaron, being duly sworn, on his oath according to law says, that he is the manager of the glove manufacturing plant of Louis Meyers & Son, in Gloversville, N. Y.

That for the sewing of hand-sewed leather gloves, of the same character as are made in England, he has paid to the sewers in the United States \$3.50 a dozen pairs and that he has been unable to have the said hand-sewed glove sewed for any price less than the said \$3.50 per dozen pairs.

ALBERT AARON.

Sworn and subscribed to before me this 25th day of November, 1908.

[SEAL.]

C. H. RICHARDSON,
Notary Public.

EXHIBIT D.

PRICE THE SAME FOR SCHMACHEN AND SECOND-GRADE LAMBSKIN GLOVES.

OSTERWIECK A. HARK,
October 30, 1908.

DEAR SIR: I beg to take reference to my last circular letter and recommend again my first-class kid gloves manufactured especially for export trade.

It is more than twenty-five years that I have been manufacturing kid gloves in Osterwieck, the glove center in Germany and middle Europe. My plant is the most prominent and oldest one in the trade and has been privileged by the largest American and English houses since years. I owe my success chiefly to this warmly solicited American and English trade and wish to show its success.

The working rooms and storage rooms cover more than 25,000 square feet; all the rooms are up-to-date, heated by steam and lighted by electricity. I have my own power house and my own dynamos for lighting purposes. My leather-dyeing plant is worked by steam and is recognized as the largest and most modernly equipped one in our trade.

It has been my pride that my hands have been working with me for years; besides, I took the greater part of the glove makers and other workmen who had been working with Richard Bondy of this town, so that I enjoy the help of the best workmen to be had. In consequence, I stand for first-rate workmanship and high-class ware. With Richard Bondy I had the very best connection until the firm was dissolved.

Let me solicit your trade. I am convinced that you will be a constant buyer if you give me only a small order first. All your wishes concerning material or outfits will be carefully attended to. I shall try my best to please you and to satisfy your wants.

My price list shows that I can compete with any manufacturer. I am also willing to send samples which you may require, post free.

I hope to be favored with your esteemed orders, which will always be executed carefully and promptly.

Respectfully, yours,

(Signed) W. JAUBIS.

EXHIBIT E.

PRICE LIST.

	Marks.
Ia. 8-button length mousquetaire lamb.....	28
Ia. 12-button length mousquetaire lamb.....	38
Ia. 16-button length mousquetaire lamb.....	48
Ia. 8-button length Biarritz lamb.....	28
Ia. lamb, 2-clasp, black.....	19
Ia. lamb, 2-clasp, colors.....	20
IIa. lamb, 2-clasp, black ^a	15
IIa. lamb, 2-clasp, colors.....	16
Ia. schmaschen, 2-clasp, for black and colors ^a	15
Ia. schmaschen, 8-button, for black and colors.....	25
Ia. schmaschen, 8-button Biarritz, black and colors.....	24

EXHIBIT F.

RATES OF DUTY.

[Schedules 1890, 1894, and 1897.]

Kind.	1890, McKinley.	1894, Wilson.	1897, Dingley.
MEN'S.			
Schmaschen.....	50 per cent and \$1.....	\$3.00	\$3.00
Lamb.....	50 per cent and \$1.....	4.00	4.00
Kid.....	50 per cent and \$1.....	4.00	4.00
Suede lamb.....	50 per cent and \$1.....	4.00	4.00
Suede kid.....	50 per cent and \$1.....	4.00	4.00
WOMEN'S.			
Schmaschen:			
Under 14.....	\$1.75.....	1.00	1.75
Under 17.....	50 per cent.....	1.50	2.25
Over.....	50 per cent.....	2.00	2.75
Lamb:			
Under 14.....	\$2.25.....	1.75	2.50
Under 17.....	50 per cent.....	2.75	3.50
Over.....	50 per cent.....	3.75	4.50
Kid:			
Under 14.....	\$3.25.....	2.25	3.00
Under 17.....	50 per cent.....	3.00	3.75
Over.....	50 per cent.....	4.00	4.75
Suede, etc., sheep:			
Under 14.....	50 per cent.....	1.75	2.50
Under 17.....	50 per cent.....	2.75	3.50
Over.....	50 per cent.....	.....	.....
Suede, etc., kid:			
Under 14.....	50 per cent.....	2.25	3.00
Under 17.....	50 per cent.....	3.00	3.75
Over.....	50 per cent.....	4.00	4.75
EXTRA CUMULATIVE MEN'S AND WOMEN'S.			
Lined.....	\$1.....	1.00	1.00
Pique or prixseam.....	50 cents.....	.....	.40
Embroidered.....	50 cents.....	.....	.40

^a Two-clasp Ia., or first-grade schmaschen gloves, are offered at the same price as IIa., or second-grade lambskin gloves.

THE MILLAU, FRANCE, CHAMBER OF COMMERCE, GIVES COST OF MAKING LAMBSKIN GLOVES IN FRANCE.

MILLAU, FRANCE, *February 1, 1909.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: The chamber of commerce of Millau, France, in the interest of the glove manufacturers of this city, takes the liberty of addressing you on the revision of the tariff, and herewith give you the detail of the cost of the making of lambskin gloves made in this city and exported to the United States.

It would appear that the duty, as actually in force, is already very high and does not need to be increased, as it has been quite sufficient to permit the industry of glove making to be developed very rapidly and to a very large extent.

The tariff now in existence on men's gloves is certainly too high, as in some articles it is even more than 80 per cent. A men's pique and embroidered glove of a very good quality of lambskin can be made in France at 30 francs per dozen, and even a good quality at 27 francs per dozen, and the actual duty on this glove is \$4.80 per dozen, which actually makes 89 per cent duty.

The duty on ladies' gloves is less than on men's gloves, and, notwithstanding this, the manufacturing of ladies' gloves in the United States has constantly increased every year in quantity and has improved considerably as well in quality, and it would seem entirely unnecessary to increase this duty, which has been and is sufficiently high to permit the extensive development of this industry in the United States; and this would consequently prove that a reduction of duty on men's gloves could be easily made without causing any injury to the industry of making gloves in the United States.

There further exists in the present tariff an anomaly, which is unjust and illogical, and that is the payment of duty on gloves finished with various embroideries.

An embroidery made on the well-known machine and called *Brosser*, and which costs 1 franc, or 20 cents, per dozen, pays no additional duty.

The embroidery known in the trade as *Paris points*, costing but 1.15 francs per dozen, or 23 cents, which means an actual difference of 3 cents per dozen between these two embroideries, and yet this latter embroidery known as *Paris points* is subject to 40 cents additional duty. In other words more than 1,300 per cent additional duty is assessed on the actual increased cost of this embroidery.

Another embroidery known in the trade as *three rows embroidery* costs 1.75 francs per dozen, or 35 cents, which is an increase of 0.75 franc, or 15 cents, on cost over the *three rows embroidery*, and is subject to the additional duty of 40 cents per dozen. In other words almost 300 per cent on the additional cost of this embroidery.

The present tariff also imposes 40 cents additional duty on gloves pique sewed; this, also, is unjust.

Gloves which are sewed and known in the trade as *overseam* do not pay any additional duty, whereas gloves pique sewed which cost only 2.50 francs, or 50 cents per dozen, which is an increase of 1.30 francs, or 26 cents, per dozen more than gloves sewed *overseam*, pay

the additional duty of 40 cents, which means 150 per cent duty on the increased cost.

The injustice of the additional duty for embroideries and pique sewed gloves is so apparent that we request that these duties be eliminated entirely.

In view of the logical reduction that we request on gloves, it may be well to reduce at the same time the duties on finished and dyed leathers which are used by the American glove manufacturers, and which can not be produced in the United States, and which the American manufacturers therefore are obliged to import (a fact admitted by the Hon. L. N. Littauer, as representative of the American glove manufacturers, in an interview before the Ways and Means Committee). The reduction of the duty on these skins would compensate the American glove manufacturers for any reduction of duty on gloves.

A question of the very greatest importance for the United States is to have the duty so adjusted as to produce greater revenues. It is certain that with a lower duty gloves will be sold to the public at lower prices, and consequently consumption will increase, and with it the revenue of the United States. Since a reduction of duty on finished leathers can be accorded to American glove manufacturers, they would be as fully protected with a lowered tariff as they are with the present tariff schedules. This reduction on finished leathers can be made without causing the slightest injury to any one in the United States, for the reason as aforesaid that the small skins used for glove making can not either be tanned or dyed in the United States, notwithstanding the duty which has existed on these leathers for many years, which fact has been recognized by Mr. Littauer.

Referring to the interview, before the Ways and Means Committee, of Mr. Littauer, he stated that the present duty on men's gloves is about the same as under the Wilson bill, which in itself was already higher than the McKinley bill. He furthermore states that the importation of men's gloves fell from 127,000 dozens to 62,000 dozens on account of this higher tariff, and at the same time he states that the importation of men's gloves has increased to 108,000 dozens. It is quite apparent therefore that since the increased tariff reduced the importation that this latter increase of importation to 108,000 dozens was not caused in any way by the tariff, but exclusively by the increase and larger volume of business.

Allowance furthermore must be made that the consumption of gloves in the United States has constantly increased since 1893 (at which date Mr. Littauer states that the importations of men's gloves were 127,000 dozens); it would seem therefore very clearly established that in proportion to the consumption of gloves in 1893 and the year 1908 the importation of 108,000 dozens means a very large reduction in the importations. In other words, the high tariff assessed on men's gloves has prevented the importation of men's gloves from increasing and has been the cause of reducing the same, since the importation has not increased, whereas the consumption has very materially increased.

This demonstration is a proof that Mr. Littauer's argument that the duties can be increased on articles of luxury without causing any diminution in the importations is not correct, since the importation of men's gloves compared with the increased consumption has materially

been reduced, which can only mean decreased revenue for the United States.

To impose duty on gloves according to their length is not logical. It would be more logical to impose duties according to the value. However, we wish to insist that we prefer the maintenance of specific duties.

Mr. Littauer, during the interview before the Ways and Means Committee, made a proposal of changing the schedules of duties by imposing a certain tariff on gloves 11 inches long, and for each inch of additional length an additional sum of 50 cents per dozen should be paid. In the first place, the average length for short gloves for years has been 2, 3 and 4 button length, frequently made with but one button, and it would not be logical nor fair to impose a different rate of duty on these lengths, for the reason that small skins which, as recognized by Mr. Littauer, are used in the making of ladies' gloves as a general rule can not give a greater production in number of pairs in these short lengths if these small skins are used for 4 buttons or for 2 buttons; if, for the latter, it is simply a loss of product, and the cost in leather of these various lengths is about the same.

If therefore a duty were imposed based on this proposition of Mr. Littauer increasing the duty with each inch in length, it would be absolutely unjust, because a glove of 6 or 8 buttons in medium or cheap qualities would pay a much higher duty than a short glove, notwithstanding the fact that the value would be greatly less than a 2-button glove. Supposing that both these lengths gloves were made of the same quality of leather, a 6-button length would cost only 1.50 or 2 francs per dozen, or from 30 to 40 cents, completely finished, more than the 1-button, the increased and supplementary duty would be \$2.50, against the small difference of 40 cents increase on cost, the injustice of which is clearly apparent.

As a general rule, the cost of short gloves, ranging from 2 to 6 button length, is about the same. Arriving at the length of 8 buttons or more it is evident that the length necessitates more leather, particularly from 12 and 16 buttons upward, and naturally these gloves cost more, and since it would be logical to have the gloves pay duty according to their value, it is quite apparent that an 8-button glove should pay more duty than a short glove, and that a 12-button should pay more than an 8-button, 16-button more than 12, 20 and 24 button more than 16 buttons.

Since the present tariff imposes a greater duty on 8-button length, are still greater duty on 12 and 16 button lengths, it is evident that the present schedule is justified in the proportion to short gloves. To be fair and logical, therefore, the same principle of length as now exists in the present schedules should be maintained without change.

The more so that gloves having 1 or 2 inches greater length have no greater commercial value; for that reason, for instance, an 8-button glove cut 1 or 2 inches longer could not be sold for a higher price; a 12-button glove, cut 1 or 2 inches longer, could not be sold for any greater price than if it were cut only 12-button length. For commercial usage in the glove business the lengths established are: Short gloves, then 8-button, 12-button, 16-button, 20-button, 24-button.

Let us examine further the proposition of Mr. Littauer to apply the duty on the basis of gloves of 11 inches length with 50 cents in-

crease for each inch of length. The present rate of duties on glace gloves is: \$2.50, under 13 inches; \$3.50, from 15 to 17 inches; \$4.50, above 17 inches.

These lengths are measured by using the American inch in measuring the gloves from finger tips to its opposite extremity, which is absolutely unfair, because a glove of size $5\frac{1}{2}$ is inevitably a shorter glove than the same style in size $7\frac{1}{2}$. If therefore in future the duty should be applied as at present, according to certain lengths, the measurement should be taken from the base of the thumb to the top of the glove, which in the glove industry is called length of rebras, and which is also used in the glove business to designate the length of glove wanted by the consumer, who has never been known to ask for a glove of 17 inches long, but, instead, asks for an 8-button glove, which simply means 8 buttons or 8 inches from the base of the thumb to the top of the glove.

Furthermore, it would only be just to measure the length of gloves according to the French glove rule and not the American inch, the French glove rule being used in the making of gloves in all countries, including the United States.

The comparison of these two lengths is as follows:

American inch.	French glove rule.
<i>Incher.</i>	<i>Inches.</i>
12	$11\frac{1}{2}$
18	$16\frac{3}{4}$
24	$22\frac{3}{4}$
30	28
36	$33\frac{3}{4}$

According to the proposition made by Mr. Littauer, it would result that in the same articles and lengths of gloves the small sizes would pay one rate of duty and the larger sizes another rate of duty. The following illustration will show the complication and injustice of this proposition:

	Size $7\frac{1}{2}$.		Size $5\frac{1}{2}$.	
	Inches.	Additional duty.	Inches.	Additional duty.
2 and 3 button	$11\frac{3}{4}$	\$0.50	$10\frac{3}{4}$	None.
4-button.....	$12\frac{3}{4}$	1.00	$11\frac{3}{4}$	\$0.50
6-button.....	$14\frac{3}{4}$	2.00	$13\frac{3}{4}$	1.50
8-button.....	$16\frac{3}{4}$	3.00	$15\frac{3}{4}$	2.50
12-button.....	$20\frac{3}{4}$	5.00	$19\frac{3}{4}$	4.50
16-button.....	$25\frac{1}{4}$	7.50	24	6.50

This additional duty on 16-button gloves of \$7.50 would mean on gloves of 65 francs per dozen value fully 53 per cent additional duty, without allowing for the rate of duty to be fixed, according to Mr. Littauer, on gloves of 11 inches, which, of course, would be additional and would increase the percentage on duty.

The duty at present in force on ladies' gloves of so much per dozen applied, according to the various commercial lengths, is equitable, and the only change the American glove manufacturers

could reasonably ask would be a slight increase of duty on 16 and 20 button lengths and 24 and 30 button lengths.

Mr. Littauer furthermore draws the attention to the average percentage of duty paid, which according to his figures, was 43 per cent on short gloves and only 31 per cent on gloves over 8 button length. It is absolutely necessary to make allowance for the tremendously increased prices of all gloves during 1906 and 1907, and the early part of 1908, increased value of leather which has since declined as well as the price of gloves, so that the present schedules of duty on length over 8 buttons would certainly be not less than 40 per cent average, or, practically speaking, the same as the average on short gloves.

We can but repeat that with an increase of duty gloves will be sold at higher prices to the public, and the consumption and importation can only decrease, and the amount of revenue collected can only decrease in the same proportion.

Since the industry of making gloves in the United States has constantly increased and very materially so it can only continue to grow, and there is no reason to increase the duty, many reasons as explained above to decrease the same, at the same time decreasing the duties on the finished skins, all of which can only tend to increase consumption and to increase the revenues of the Government, in giving at the same time to American glove manufacturers as much protection as they now or ever have had.

COST PRICES OF WORKMANSHIP OF LAMBSKIN GLOVES MADE IN MILLAU AND EXPORTED TO THE UNITED STATES.

	Cutting.	Sewing.	Total.
	<i>Francs.</i>	<i>Francs.</i>	<i>Francs.</i>
Ladies' 2-clasp lamb overseam, Brosser embroidery	3.50	4.60	8.10
Ladies' 6-button Biarritz overseam	3.90	2.50	6.40
Mosquetaire 8-button overseam	4.75	5.95	10.70
Mosquetaire 12-button overseam	5.75	5.95	11.70
Mosquetaire 16-button overseam	6.75	5.95	12.70

Respectfully submitted for your kind and valuable consideration.

[SEAL.]

PAUL FABRE,

President of the Chamber of Commerce of Millau.

AÏMÉ BUISSARD,

Secretary of the Chamber of Commerce.

CHICAGO GLOVE IMPORTERS OBJECT TO THE PROVISIONS OF SCHEDULE OF RATES SUGGESTED BY THE GLOVE MANUFACTURERS' ASSOCIATION OF UNITED STATES.

CHICAGO, ILL., *January 27, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned importers of the city of Chicago, desire to refer to the recommendations of the Glove Manufacturers' Association, of Gloversville and Johnstown, N. Y., as to

the duty on leather gloves and to enter our most emphatic protest against its adoption by your committee.

The attached statement of the present and proposed rates on gloves will illustrate the practical operation of the proposed schedule as applied to ladies' gloves. The rates contained therein are increases over the present rate of from 33 to 385 per cent and will approximate 60 to 90 per cent ad valorem on ladies' kid gloves, 75 to 100 per cent on ladies' lamb gloves, and 100 to 150 per cent on ladies schmaschen gloves.

Further, it would mean the levying of a tax upon every woman who wears leather gloves of from 33 cents to \$1.15 per pair.

Such advances are in direct opposition to the wishes of the people of the United States, who have declared themselves emphatically in favor of reductions in the present rates of duty.

We therefore urge your committee to disregard the recommendations of the glove manufacturers, who we believe have ample protection under the present act, and to incorporate in the new law no higher rates nor any change in the phraseology of paragraphs 439 to 444 of the present act.

MARSHALL FIELD & Co.
CARSON, PIRIL, SCOTT & Co.
JOHN V. FARWELL COMPANY,
By JOHN V. FARWELL, *Treasurer*.
MANDEL BROTHERS.

EXHIBIT A.—*Ladies' leather gloves.*

Actual measurements.	Present duty on—				
	Schmaschen.	Lamb suede.	Lamb glace.	Kid.	Proposed rates.
2 button, 11 inch	\$1.75	\$2.50	\$2.50	\$3.00	\$4.00
3 button, 13 inch	1.75	2.50	2.50	3.00	4.00/4.50
6 button, 14 inch	1.75	2.50	2.50	3.00	5.50
8 button, 16 inch	2.25	2.50	3.50	3.75	6.50
12 button, 20 inch	2.75	3.50	4.50	4.75	8.50
16 button, 24 inch	2.75	3.50	4.50	4.75	10.50
20 button, 30 inch	2.75	3.50	4.50	4.75	13.50

PROPOSED AMENDMENTS TO GLOVE SCHEDULE.

The following are the proposed amendments to the glove schedule prepared by the Glove Manufacturers' Association, of Gloversville and Johnstown, N. Y.:-

[Paragraph 439—paragraph as amended or reconstructed.]

Gloves.—Made wholly or in part of leather, whether wholly or partly manufactured, shall pay duty at the following rates, namely: On gloves not exceeding 11 inches in length, \$4 per dozen pairs; on gloves exceeding 11 inches in length an additional duty of 50 cents per dozen pairs for each inch or major portion of an inch in excess of said 11 inches, the length in each case being the extreme length when stretched to its full extent.

**LUCIUS N. LITTAUER, GLOVERSVILLE, N. Y., WRITES RELATIVE
TO WOMEN'S AND CHILDREN'S LAMBSKIN GLOVES.**

WASHINGTON, D. C.,
February 18, 1909.

HON. SERENO E. PAYNE, M. C.,
Chairman Committee on Ways and Means,
Washington, D. C.

MY DEAR MR. PAYNE: I trust there will be no change in the rates of duty covering men's gloves.

On women's gloves there are but two items which are of essential and vital importance if protection is to be granted so that the women's glove industry may start. They are the items in paragraphs 441 and 443, which concern women's and children's lambskin gloves, either glace finish or with exterior grain surface removed, not over 14 inches in length.

The Dingley rate on both these items is \$2.50. This must be changed to \$4, the same as on men's gloves. These are the only two items of the ladies' schedule that concern us. All the rest are secondary and of no importance to the American workingman or manufacturer. We care not for the classification of schmaschen gloves. We care not for the rates that are placed on long gloves, but we do care for these two items of women's lamb and sheep gloves, and if they be placed at \$4 the result will be similar to what has happened under protection on men's gloves, the importations will continue, the revenue will be increased, and the American industry established.

We appeal to you to grant us what is essentially necessary of these two items.

Faithfully, yours,

LUCIUS N. LITTAUER,
Gloversville, N. Y.

**GOLDSCHMIDT BROTHERS COMPANY, NEW YORK CITY, IMPORTERS,
CLAIM THAT THE SUGGESTED DUTIES FOR GLOVES WOULD
BE PROHIBITIVE.**

514-516 BROADWAY,
New York, February 6, 1909.

HON. SERENO PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: Kindly permit me to address you in relation to prospective changes in the tariff on leather gloves now under consideration by your committee.

Having been engaged in the business of importing gloves at this port uninterruptedly since the year 1867, I have lived through several tariff changes and therefore believe I am competent to form a fairly reliable opinion on the subject, especially as regards the article in which I am chiefly concerned.

I may say at once that I am in favor of a protective tariff, a tariff which properly protects American industries. I believe it would be better to have the rates of duty a little higher than is necessary for protection, than to leave them just a trifle below the safe line of demarkation.

I learn however from newspaper reports that the association of American glove manufacturers is urging upon your committee such extraordinary high rates of duties on leather gloves that, if they should become law, they would virtually prohibit the importation of women's schmaschen gloves, which is the glove of those who are obliged to live economically, a discrimination which I am sure your committee would not tolerate.

Permit me to illustrate: The present tariff as far as leather gloves are concerned is purely specific, but it is so constructed that the specific rates for women's gloves not over 14 inches in length (which is the ordinary length, except when dresses with short sleeves are fashionable) equal nearly 50 per cent of their foreign market value.

These rates are:

On women's schmaschen gloves, plain, not over 14 inches, \$1.75 per dozen.

On women's lambskin gloves, plain, not over 14 inches, \$2.50 per dozen.

On women's goatskin gloves, plain, not over 14 inches, \$3 per dozen.

The additional rates of duties for three-strand embroidery, pique sewing, lining, etc., need not be considered in this connection.

The statement that the above rates practically equal 50 per cent of the foreign market value of the article will be borne out by an examination of glove entries at the custom-house. The present average price of women's schmaschen gloves in the foreign market is about 15 marks per dozen, at the rate of $23\frac{8}{10}$ cents for the mark, equal to \$3.57, which at the rate of 50 per cent would yield a duty of \$1.87 $\frac{1}{2}$, as compared to the present specific rate of \$1.75.

If it were conceivable that a new tariff would raise the duty on this glove to the figure which the American glove manufacturers are reported to urge upon your committee, namely to \$4 per dozen pairs, it would be equal to an ad valorem duty of 112 per cent.

On lambskin gloves it would be equal to about 80 per cent ad valorem and on goatskin gloves to about 58 per cent. Thus it is plainly evident that those who can least afford it would have to pay the highest duties, nearly twice as much as the well-to-do would have to pay.

It will probably be urged that the schmaschen glove is without merit and that it would be a benefit for the poor and those economically inclined if the law would take care of them and prevent them from spending money on a worthless article.

That this is a false proposition is easily proved by the fact that there is a large and increasing demand in spite of the prejudice which interested parties have sought to create against this kind of glove.

The schmaschen glove will serve well the purpose of those who wear it. It will last as long as a lambskin glove, even though it may not fit the hand quite as snugly, but it will give the desired effect and finish to the dress. Moreover, there is absolutely no substitute for this glove. Nowhere outside of Germany has the schmaschen glove been manufactured with any degree of success.

The cost of labor on this glove in Germany is approximately \$1.85 per dozen pairs. This includes 25 cents for general expense, but it does not include the cost of tanning the skins. Assuming the cost

of labor and expense in this country to be twice as large as in Germany, it would seem that the present specific rate of duty of \$1.75 would be fully protective.

In the case of schmaschen gloves, however, it is not so much a question of protection of American labor, because it will be found impossible to manufacture this glove here even under a tariff of more than twice as high as the one now in force.

It must be admitted that the present rates of duties on leather gloves of the ordinary length are just and equitable and that no good reason exists why they should be changed. The present additional rates for embroidery, pique sewing, lining, etc., are somewhat higher than is necessary, being more than 50 per cent of the cost of labor and material required to produce them.

On the other hand, it seems to me that the present rates of duties for gloves longer than 14 inches could be somewhat increased, perhaps as follows:

On women's schmaschen gloves 25 cents per dozen for each additional inch above 14 inches.

On women's lambskin gloves 30 cents per dozen for each additional inch above 14 inches.

On women's goatskin gloves 35 cents per dozen for each additional inch above 14 inches.

The tariff in force has been and is now working satisfactorily. The government obtains from it a large revenue, at least as large as from any of the former tariffs; American manufacturers are prospering under it, and importers are able to exist and to supply to the market gloves which can not be made here in the same perfection, beauty, and elegance, or are not made here at all, as in the case of schmaschen gloves. There is a large enough and growing outlet in the American market for all—for the manufacturer as well as for the importer—and there is no need for either to seek to undermine the existence of the other.

I beg to apologize for occupying so much of your valuable time and to thank you if you should deem my views worthy of your consideration. Any information which I may possess I hold cheerfully at your disposal.

Very respectfully, your most obedient servant,

DANIEL GOLDSCHMIDT.

HARNESS AND SADDLERY.

[Paragraph 447.]

L. KIPER & SONS, OF CHICAGO, ILL., THINK THE PRESENT DUTY ON SADDLERY SHOULD BE MAINTAINED.

CORNER OF CONGRESS AND PEORIA STREETS,
Chicago, November 19, 1908.

The WAYS AND MEANS COMMITTEE,
United States Congress, Washington, D. C

GENTLEMEN: Referring to the import duty on manufactured harness, saddles, and kindred goods, in view of the fact that labor for

that class of work receives more than twice as much pay in this country than in England, we believe that the present duty should be maintained in order to protect American workmen.

We are not vitally interested in this proposition, as we make but few goods such as are made abroad, but for reasons given we desire to enter our protest against a reduction in the existing tariff rate.

Respectfully,

L. KIPER & SONS.

**THE SMITH-WORTHINGTON COMPANY, HARTFORD, CONN., ASKS
FOR HIGHER DUTIES ON ALL HORSE EQUIPMENTS.**

HARTFORD, CONN., *November 24, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are strongly opposed to any reduction of the present tariff of 45 per cent on saddlery goods. With this duty in force we can produce the finer grades of leather goods in competition with England only to a limited extent. We now import quantities of saddlery, being forced to do so because of the difference in cost, being able to purchase lower in England than we can manufacture here. We have been striving for some years to produce the goods that we import, but with only 45 per cent protection we find it impossible.

With a higher tariff a large proportion of the goods now imported could be manufactured here. The mechanics are here to do it. The finest work is produced here, but the quantity is limited mostly to special work, while the larger quantity is imported. The saddlery trade has never been sufficiently protected so the bulk of the better grades could be manufactured here. We can import finished saddlery goods at 45 per cent duty, but when we import some of the materials for manufacturing this line, such as wool serges, etc., we have to pay 50 per cent ad valorem and 44 cents per pound specific, equaling 142 per cent. This favors importation of the finished product. The difference in wages paid in England and in this country can not be successfully overcome with this 45 per cent duty.

United States Consul Halstead, in his Birmingham report on wages, as published by the Department of Commerce and Labor in Daily Consular Reports of July 13, 1905, says regarding English saddlers: "None of them are half paid, considering the quality of work produced and the excellent workmanship. A very good man on the best work, under favorable circumstances, earns \$9.73 to \$10.94 per week." The foreman of a large English shop (recently arrived in Hartford) states saddle and harness makers now earn \$1 to \$1.17 per day in England. In this country their wages are \$2.50 to \$3.50 a day. In England the hand stitching is done by girls earning \$2.67 to \$2.91 per week—see Consular Report of July 13, 1905—while here this work is done by men averaging \$14 per week. This shows the low wage in England, and if the 45 per cent duty is reduced it will stop the manufacturing of these finer goods in this country and affect labor materially. It is fair to say that journeymen here get more than twice as much as in England, and hand stitchers four to five times.

If the present tariff is left undisturbed we can continue to produce a limited quantity of the better grades of English styles; but the larger quantity will continue to be imported to the detriment of the American manufacturer and the American mechanic.

The goods we speak in favor of are the better grades of saddlery, all hand made, fine quality; in fact, as used by the consumers who demand and must have the finest that can be produced so it can readily be seen the retention of the present duty would bring no hardship to that class of consumers.

In closing we desire to advocate a higher duty than 45 per cent in order to develop the saddlery industry—thus enabling manufacturers to produce the better goods, and giving more work to American mechanics. We request your favorable consideration of this idea.

Respectfully submitted.

The SMITH-WORTHINGTON COMPANY,
CHARLES A. ROGERS, *Secretary*.

**STATEMENT MADE BY E. J. BAKER, GENERAL PRESIDENT OF
LEATHER WORKERS' UNION RELATIVE TO SADDLERY.**

SATURDAY, *November 28, 1908.*

Mr. BAKER. Mr. Chairman and gentlemen of the committee, we have come here for the simple reason that during the last Congress there were appeals introduced to reduce the present rate of 45 per cent, which is merely a protective tariff to the wage-workers. In fact, it does not protect us in competition with English mechanics.

I will quote from the Daily Consular Report a report by Mr. Halstead, United States consul at Birmingham, England, whom I requested to get me the wages paid to leather workers in England.

WHOLESALE SADDLERS.

Brown saddlers work fifty-six hours per week at piecework and their wages are based on a long and intricate scale or list brought out by the society (labor union). None of them are half paid considering the quality of work produced and the excellent workmanship. A very good man on the best work under favorable circumstances earns \$9.73 to \$10.94 per week.

Saddlers making general and middle-class saddles earn from \$7.29 to \$8.50 per week, but sometimes for certain markets which give, as does South Africa, big orders for some kinds of saddles with little finish a quick worker can make as much as the better class worker referred to.

Commoner quality workers can make from \$7.29 to \$8.50, because they can work away without much measurement or thought, etc.

Sidesaddle hands average the same as workers on men's saddles. They can not make as many sidesaddles per week, but make higher prices per saddle.

The foregoing are wages for goods known as "factory made." While in some few factories there is no piecework, and the employees are paid so much a week, the results are practically the same.

A London factory man earns from \$1.21 to \$2.43 more a week, owing to increased cost of living there.

RETAIL SADDLERS.

In London and the country towns throughout Great Britain the all-round man employed on fine retail saddles commands the highest wages, and by an all-round man is meant a man who is of more use in a saddler's shop than the man who can make a saddle only. Men of this class come in a different wage category and are worth \$14.59 a week, and perhaps more. In the Walsall

district a saddler only makes the saddle. Some of the lighter portions of the work, such as the stitching, etc., are done by women, and these women earn from \$4.86 to \$6.07 a week, according to ability and the amount of work that is forthcoming.

By gig saddlers are meant makers of saddle pads for harness of all kinds. The foreman gig or black saddler gets from about \$8.50 to \$12.16 a week, day work; \$12.16 commands the service of a good man, while an inferior man earns no more than \$8.52. The foreman selects the material and cuts out, etc., taking the responsibility for the work being done properly. He knows how to select the leather and cut it economically. A black saddler fits up at piecework prices and earns about \$8.74 a week.

Panel makers, at piecework, net about \$6.07 a week. Women stitchers on best work earn at piecework \$3.64 to \$4.37 a week, according to aptitude and ability.

HARNESS MAKERS.

Cutters, day work, fifty-four hours per week, average about \$9.73. A few get \$12.16 to \$14.59 on account of ability. A foreman and supervisor of the shops gets from \$9.73 to \$24.33 per week, day work, according to ability, number of hands employed, and class of work turned out. Preparers and finishers get about \$7.29 to \$7.77 for fifty-four hours. If harness makers are on best work and trade is good, they get \$1.21 to \$3.64 per week more, according to the class of work they are engaged on.

Women hand stitchers, working fifty-four hours, get, if trade is fairly good and they work steadily, \$3.64 a week without much trouble, but there are few who actually earn more than \$2.91. A girl is content to earn \$2.67 to \$2.91, but a widow will earn \$3.64 to \$4.37. This is on best work, the women stitchers taking heavy and light together.

Women machinists, using sewing machines, earn \$3.64 to \$4.37 per week, according to the class of work. There are no men stitchers in Walsall, but in London retail shops the stitching on the best harness is done by the harness makers, the work being less subdivided in London than in the wholesale manufactories in the provinces. There are no men machinists.

The following weekly wages are for men and women who have learned their trades: Women stitchers in harness and saddlery trades, \$2.67 to \$3.64; bridle cutters, men, \$5.83 to \$7.77; gig saddlers, men, \$6.68; riding-saddle makers, gentlemen's work, men, \$6.80 to \$7.30; side hands, \$7.77 to \$10.94; purse makers, men, on saddle-style stuff, \$5.83 to \$7.77, and turned edge, men, \$7.29 to \$9.23; bag makers, including trunk and suit-case making, \$8.26 to \$9.73.

The figures given are for journeymen. There are, of course, apprentices in all these trades, and in some of them disproportionate numbers, depending on the strength of the labor unions.

Stitching is largely done by learners, girls from 14 to 17 years of age. Their wages I shall not go into, as I know very little about them. I am not able to give you a printed list for the various trades; if I did have a list I fear the prices would not be authentic at the present time. Work is slack now, and in many cases men are working for altogether insufficient sums, not being able to get full-time work, but so far as possible the figures I give you are what would be earned in ordinary times. I happen to have a very good knowledge of what workers can earn here and in the United States. In my opinion a man can not produce as much work per week here as can a man of equal caliber in the United States, and women stitchers here are not able to do as much work as male stitchers in the United States. To the best of my knowledge women are not employed in these trades to any great extent in the United States.

I will simply say that the present 45 per cent does not cover the difference in wages. I have here a report which I sent out to my organization, which was taken up last summer, not with the intention of using it here, but merely as information for my own organization. This is from 41 different cities throughout the country, including the common mechanic that works in the cheap shops and the factories.

During the month of June statistical blanks were sent to each local for the purpose of obtaining information upon which to base a report to the jurisdiction as to the condition of wages, hours, apprentices, and other matters, and to have a record here in the office for use as

a source of information to be used by the executive officers when they had any question to decide where such matters were involved. Not only were these facts to be a source of information to the jurisdiction, but also were to be a reference in shaping the future policy of the brotherhood. But for some reason or other only 51 locals saw fit to fill out the blanks; 46 did not. Now, this places us in a position to be able to report on a little over one-half, which is a very bad showing. If information is to be given out from this office we must receive the cooperation of all the locals to make it complete and have it of some value.

Fifty-one locals report a total of 2,380 U. B. men, 50 locals report a total of 3,841 journeymen in the cities, 51 locals report a total of 1,545 non-U. B. men in the cities, which shows that there is room for a large amount of work in the way of getting new members to be done by the locals in their own localities.

Forty-four locals report 309 apprentices. The total members reported by the 44 locals was 2,034, or an average of 1 apprentice to $6\frac{1}{3}$ men. In some locals the average is above the ratio of 1 to 10 set by our constitution, but as a rule it is below. Forty-six locals report 95 wholesale factories and 49 locals report 974 retail shops. Twenty locals have 22 agreements with wholesale factories and 24 locals have 126 agreements with retail shops. Twenty-one locals do not allow overtime; 25 locals allow overtime. Of these, 16 demand time and one-half; 2, time and one-quarter; 7 do not demand anything extra. Forty-seven locals report 1,274 men working piecework; 4 locals have no pieceworkers; 51 locals report week workers. All locals give the spring and fall as the busy seasons with a few exceptions. Fifty-one locals report on hours employed per week, which gives an average of $57\frac{3}{4}$. Twenty-five locals report 60 hours; 4, 59; 3, 58; 1, 57; 1, 56; 2, 55; 13, 54, and 2, 53. This great difference in the hours employed is one of the causes of a great amount of dissatisfaction, as the locals that secure the shorter hours are in direct competition with those working longer hours, and they are held back and can not secure an advancement of wages, as their products must be put on the market to compete with those made in the factories working long hours.

Forty-one locals report on the number of days employed per year, which runs from 225 to 312. The average is 241 days per year. Locals reported average wage-working piecework as follows:

45 locals, harness makers.....	\$13. 66
34 locals, collar makers.....	14. 00
27 locals, saddle makers.....	17. 00
11 locals, gig makers.....	14. 59
44 locals, harness cutters.....	16. 43
45 locals, machine operators.....	15. 85
27 locals, saddle cutters.....	16. 69
31 locals, collar cutters.....	15. 44

Forty-one locals reported an average increase of wages since they were organized of 17 per cent. The lowest was 5 per cent and the highest $33\frac{1}{2}$ per cent.

While these figures are incomplete on account of the number of locals not reporting, they will give the members an idea of the trade throughout the country. It is to be hoped that we will receive better cooperation in the future when a matter of this kind is taken up.

You can see that the difference in wages between England and here is such that the 45 per cent does not even cover the wages alone.

Take, for instance, a man in New York who is making fine work. He will get \$16 for making a pair of fine coach bridles. He will make those in five days. A man on the same class of work in England, where the minimum wage is about \$8 a week, or, we will say he is a better class workman and gets 40s. or about \$10 a week, will make those same bridles in five days.

There you have the same goods produced for \$10 that cost us \$16 here, even for the labor alone. And add 50 per cent on that \$10 and you have got the best of the American mechanic, the English have, at that, not counting a word about their sending goods in here under value and the different tricks that they use, which have been followed up by the Treasury Department. In that connection, I will say that an agent of the Treasury Department made an investigation about three years ago, largely at my request; he examined into what was being done at New York, Boston, Philadelphia, and other ports.

Now, the cities that are brought in direct competition with the English mechanics are Hartford, Newark, New York City, Philadelphia, Boston, Charleston, and Wheeling, W. Va. The average wage for a harness maker in those cities is about \$15.08; the average wage for a collar maker is \$17; the average wage for a saddle maker is \$17.25; the average wage for a gig saddle maker is \$16.60; the average wage for a harness cutter is \$16.26; the average wage for machine operator is \$16.57; the average wage for a saddle cutter is \$15, and the average wage for a collar cutter is \$15. I have here a table showing the average wages of all these workers.

Average wages of different branches of the harness trade in eastern cities.

	Average wages of pieceworkers.				Average wages of week workers.			
	Harness maker.	Collar maker.	Saddle maker.	Gig saddle maker.	Harness cutter.	Machine operator.	Saddle cutter.	Collar cutter.
No. 60, Wheeling, W. Va.	\$12.00	\$12.00			\$18.00	\$15.00		
No. 79, Hartford, Conn.	12.00	12.00	\$15.00	\$12.00	15.00	16.50	\$15.00	\$15.00
No. 91, Newark, N. J.	16.50	18.00	18.00	17.00	18.00	20.00	16.50	
No. 95, New York City	18.00	21.00	18.00	18.00	17.00	18.00		
No. 100, Philadelphia, Pa.	17.00	21.00		18.00	17.00	18.00		
No. 105, Boston, Mass.	15.00	18.00	18.00	18.00	18.00	15.00		
No. 127, Charleston, W. Va.					15.00	15.00	13.50	
Average	15.08	17.00	17.25	16.60	16.28	16.57	15.00	15.00

MR. BAKER (continuing). The great opposition that our trade has is the work done by girls on the other side, where we have to have a man. Our man would be getting from \$13 to \$16 a week as a stitcher, and the same work is done, on saddles and riding bridles, by girls who get, according to this report, from \$2.65 up to \$3.50 a week.

That has been proven by a harness that was brought in by a firm that I worked for in New York City. I want to say, gentlemen, that I know these things because I have worked in New York City at the bench since 1868, and I know what I have been up against. That was a fine harness, and the stitches and buckles in that harness alone would cost more in New York City than the whole thing did landed from England, and I paid 45 per cent duty.

THE CHAIRMAN. Notwithstanding all that, we export \$670,000 worth and import only \$160,000 worth.

Mr. BAKER. But if you will notice the exportations are almost entirely to the Philippine Islands and such places.

The CHAIRMAN. No, these figures are for our whole exports and imports.

Mr. GRIGGS. You say the working girls on the other side are in your way?

Mr. BAKER. Yes, sir.

Mr. GRIGGS. What are you going to do with the working girls on this side?

Mr. BAKER. We have had girls in Hartford stitching that made \$8, \$9, and \$10 a week. We do not propose to starve our girls over here and let them do the work in England.

Mr. GRIGGS. No, I do not; but I know they always work cheaper than men are willing to work for.

Mr. BAKER. We know that. We expect that. But we want our American girls to do that instead of having it done over there, and we want to give our American mechanics enough wages so that they can take care of the girls and not make it necessary for the girls to go to work to help support the families.

Mr. GRIGGS. You want this duty of 45 per cent?

Mr. BAKER. We would like to have it 60 per cent, and then we can put more men to work.

A shop in New York City used to employ some 45 or 50 harness makers, and he took his patterns to England and had a big lot brought over, and all ready to put the buckles in, so if you wanted a silver-mounted harness or a brass-mounted harness he could put the buckles in in a couple of days.

The CHAIRMAN. The importations for the last ten years have amounted to about \$150,000 a year—

Mr. COCKRAN. And the exports to about five times that much.

The CHAIRMAN. Yes.

Mr. BAKER. But the exports are mostly harness of the cheaper grades.

The CHAIRMAN. Well, how about the imports? One hundred and fifty thousand dollars is a very small percentage, compared with our whole consumption in the United States.

Mr. BAKER. You must remember, Mr. Chairman, that the imported English goods are used almost exclusively in the East. A few of them get as far west as Chicago—

The CHAIRMAN. It doesn't make any difference where they are used; that is all that came in, according to the government reports.

Mr. BAKER. I know, and if you were acquainted with the trade you would know that the English imported harness is used almost entirely in Boston, New York, Philadelphia, and that section of the country.

Mr. GRIGGS. Is that a finer harness than we make?

Mr. BAKER. Yes; we can make it, but to compete with them we have to do the stitching by machine, where they do it by hand.

Mr. DALZELL. That harness would come in anyhow, would it not? People who buy that kind of harness would buy it, no matter what it cost?

Mr. BAKER. It is a luxury.

Mr. DALZELL. I know it is, and people that use that kind of harness would not have anything else, no matter what the cost was. I suppose that that is a fact, is it not?

Mr. BAKER. Then let that class pay for it.

Mr. DALZELL. All right.

Mr. BAKER. You put the tariff high enough and we will get the goods.

The CHAIRMAN. The difference in the revenue between a duty of 45 per cent and 60 per cent does not amount to much on this \$150,000 that is imported. I do not see how that would do you any good.

Mr. BAKER. It would give us more work for the men in the United States.

The CHAIRMAN. I do not see how.

Mr. BAKER. They would get this work, making this harness and saddles—

The CHAIRMAN. That is the whole thing under that schedule, harness and saddles and the whole thing. That is the report.

Mr. BOUTELL. What factories in this country supply the great southwestern part of our country with harness and saddles, that great section of the country where nearly everybody rides or drives?

Mr. BAKER. Most of them come from Chicago, St. Louis, and Cincinnati.

Mr. BOUTELL. Do they manufacture any saddles or harness in that section of the country?

Mr. BAKER. In Kansas City we have two good factories, and in St. Louis they manufacture harness.

Mr. CLARK. And in St. Joe.

Mr. BAKER. Yes, in St. Joe they have a big factory; and they also have a big factory in Atchison and one in Leavenworth.

The CHAIRMAN. And there are small factories almost everywhere; every town of any size in the country, I suppose, has a harness factory?

Mr. BAKER. When I speak of large factories I mean factories that employ 40 or 50 men.

The CHAIRMAN. Oh, yes; but the factories make a lot of harness too.

Mr. BAKER. But that is only for the local trade.

The CHAIRMAN. But that is a part of the trade, and a very considerable part of the trade.

Mr. CLARK. In the sum total of the output of American harness, these small workers that work one or two hands make more than the big factories make, do they not?

Mr. BAKER. Not as a rule; no, sir.

Mr. CLARK. But take it altogether. Nearly every town has somebody that makes harness, and if you add all the little fellows together, you would find that altogether they make more harness than the big factories?

Mr. BAKER. No; not by a long shot. One of these large factories turns out more work—

Mr. COCKRAN. Do you not think it is a very prosperous industry as it stands?

Mr. BAKER. Prosperous? No.

Mr. COCKRAN. An industry that supplies the entire wants of the American market, except about \$160,000 worth, and exports \$760,000?

Mr. BAKER. We have more men out of work to-day—

Mr. COCKRAN. But you would not get them to work by increasing the cost of production?

Mr. BAKER. We would by preventing this stuff coming in from England.

Mr. COCKRAN. Preventing \$160,000 worth of goods coming in? You think that that would largely increase the production in the United States? Suppose you shut it all out—

Mr. BAKER. It would not shut it all off.

Mr. COCKRAN. But suppose we did shut out all this \$160,000 worth that comes in now. That would not make a very appreciable difference, would it?

Mr. BAKER. You would be surprised how many men it would take to make that \$160,000 worth of goods.

Mr. COCKRAN. Your proposition is to increase the tariff?

Mr. BAKER. No; I am satisfied to have it stay as it is.

CHARLES A. ROGERS, OF HARTFORD, CONN., ADVOCATES RETENTION OF PRESENT DUTY ON SADDLERY GOODS.

SATURDAY, *November 28, 1908.*

Mr. Chairman and members, what I have to say I can boil down into two or three minutes.

I represent the Smith-Worthington Company, of Hartford, Conn., and New York City, manufacturers of saddlery goods, including harness, riding saddles, and all other leather goods pertaining to the horse.

We are strongly opposed to any reduction of the present tariff of 45 per cent on saddlery goods. With this duty in force we can produce the finer grades of leather goods in competition with England only to a limited extent. We now import quantities of saddlery, being forced to do so because of the difference in cost, being able to purchase lower in England than we can manufacture here. We have been striving for some years to produce the goods that we import, but with only 45 per cent protection we find it impossible.

With a higher tariff, a large proportion of the goods now imported could be manufactured here. The mechanics are here to do it. The finest work is produced here, but the quantity is limited mostly to special work, while the larger quantity is imported. The saddlery trade has never been sufficiently protected so the bulk of better grades could be manufactured here. We can import finished saddlery goods at 45 per cent duty, but when we import some of the materials for manufacturing this line, such as wool serges, etc., we have to pay 50 per cent ad valorem and 44 cents per pound specific, making about 142 per cent. This favors importation of the finished product. The difference in wages paid in England and in this country can not be successfully overcome with this 45 per cent duty.

United States Consul Halstead, in his Birmingham report on wages, as published by the Department of Commerce and Labor in Daily Consular Reports of July 13, 1905, says, regarding English saddlers: "None of them are half paid, considering the quality of work produced and the excellent workmanship. A very good man on the best work, under favorable circumstances, earns \$9.73 to \$10.94 per week." The foreman of a large English shop (recently arrived in Hartford) states saddle and harness makers now earn \$1 to \$1.17

per day in England. In this country their wages are \$2.50 to \$3.50 per day. In England the hand stitching is done by girls, earning \$2.67 to \$2.91 per week (see Consular Report of July 13, 1905), while here this work of hand stitching is done by men averaging \$14 per week. This shows the low wage in England, and if the 45 per cent duty is reduced, it will stop the manufacturing of these finer goods in this country and affect labor accordingly. It is fair to say that journeymen here get more than twice as much as in England, and hand stitchers four to five times.

If the present tariff is left undisturbed we can continue to produce a limited quantity of the better grades of English styles; but the larger quantity will continue to be imported.

The goods we speak in favor of are the better grades of saddlery, all handmade, fine quality; in fact, as used by the consumers who demand and must have the finest that can be produced; so it can readily be seen the retention of the present duty would bring no hardships to that class of consumers.

In closing, we desire to advocate a higher duty than 45 per cent, in order to develop the saddlery industry, thus enabling manufacturers to produce the better goods, and give more work to American mechanics. We request your favorable consideration of this idea.

You may have noticed that the figures I have given correspond exactly with the figures given by the gentleman who preceded me. I simply want to say that that happens, evidently, because they were taken from the same consular report. I do not want you to think there was any collusion. It just happened that way.

Mr. CLARK. It was accidental?

Mr. ROGERS. Yes.

Mr. GRIGGS. It was a coincidence.

Mr. ROGERS. Yes.

Mr. GRIGGS. What is the annual output of your company in dollars?

Mr. ROGERS. That is something I would not like to say exactly.

Mr. GRIGGS. In your annual output, you would not undertake to say?

Mr. ROGERS. No; in the trade one manufacturer would not like to say to another one exactly what his output was.

Mr. GRIGGS. Well, you do not have to answer it if you do not want to.

Mr. ROGERS. I would not like to go on record—

Mr. GRIGGS. Could you give it in round numbers?

Mr. ROGERS. Between three-quarters of a million and a million.

Mr. GRIGGS. That is your annual output?

Mr. ROGERS. Not last year, which was a bad year, but when times are good.

Mr. CLARK. You pay 50 per cent and above that for some of your raw material, as I understand you?

Mr. ROGERS. Fifty per cent ad valorem, and 44 cents per pound specific duty for wool serges.

Mr. CLARK. How would it strike you to put that on the free list?

Mr. ROGERS. As far as I am concerned, of course it would suit me.

Mr. CLARK. Would you be willing to take the tariff off the manufactured article too?

Mr. ROGERS. No; because the wool serges enter into the manufactured article only to a very small extent. I was simply quoting it as one of the things that we have to pay a great deal for.

Mr. CLARK. What you would like really would be that Congress should pass a law prohibiting any harness from being brought in here at all?

Mr. ROGERS. That would give more work to the American workmen.

Mr. CLARK. You have the market now except \$160,000 worth of goods?

Mr. ROGERS. The report I got from New York was that the average of the last ten years, imported saddlery goods into the port of New York, amounted to \$195,000.

Mr. CLARK. But the trouble about that report you have got is that it is not true. We have the government figures here. I suppose somebody has misinformed you—has been “stuffing” you—in popular parlance, “stringing” you or “rigging” you.

Mr. ROGERS. I am not quite willing to accept that, because I want to verify this—

Mr. CLARK. Does your business cover anything except making saddles?

Mr. ROGERS. Harness, saddles—everything that pertains to the horse.

Mr. CLARK. Do you make ordinary harness for the ordinary consumer?

Mr. ROGERS. Yes, sir.

Mr. CLARK. Now, how much less would a set of harness cost us, say a set of harness that cost \$25 or \$30 now—a single harness—how much would it come to if this whole tariff business, so far as you are concerned, on your raw materials and manufactured products was wiped out?

Mr. ROGERS. I do not think it would make any difference on the lower class of goods, because English goods are all handmade; they do not have any machines or anything of that kind, and the goods that they send here are all fine goods and do not touch the common goods or come in competition with them at all.

Mr. CLARK. They surely do make cheap goods over there. The ordinary run of people over in England can not use those fine bridles and saddles, can they?

Mr. ROGERS. They are all handmade; that is, figuratively speaking, they are all handmade.

Mr. CLARK. Don't they make any harness over there by machinery at all?

Mr. ROGERS. I think not.

Mr. CLARK. And could you not afford to put down the price of harness, harness that now costs \$25 or \$30 to, say, \$15 or \$20, if you didn't have to pay any tariff on the raw material or finished product? That is taking an extreme case; that I do not suppose will happen, but what would be your answer?

Mr. ROGERS. That is rather a large question to answer offhand.

Mr. CLARK. You must have thought about it at some time or other?

Mr. ROGERS. Yes.

Mr. CLARK. The truth about this whole harness business is that the bulk of it is made in small towns, towns of from 1,500 to 2,500 inhabitants. Nearly every town of that size has a harness factory of its own, has it not?

Mr. ROGERS. No; I do not understand that that is so.

Mr. CLARK. It is strange if that is true where I live it is not true in other sections of the country.

Mr. ROGERS. I will tell you. My information goes to show that the bulk of the harness to-day is made in the large factories. They are sold quite largely to the harness makers scattered over the country. They can not compete with the harness factories, because the harness factories have machines and all the latest appliances that pertain to machinery.

Mr. CLARK. Well, all these things come to the small manufacturer and he puts them together, and then he does a business that employs one or two men at all these places. Now, how much of a profit do you make in a good year?

Mr. ROGERS. Well, sir, I can not answer you that question.

Mr. CLARK. Did you not ever cipher it out?

Mr. ROGERS. We know what we make, but the stock of our corporation is owned by seven persons, and we do not tell anybody—

Mr. CLARK. But we want the information, and you are here asking an increase of the tariff, and you are not willing to give us the figures on which such an increase ought to be based?

Mr. ROGERS. I am not really, in one sense of the word, asking for an increase; I am objecting to a reduction.

Mr. CLARK. Well, that comes to the same thing in the end. This committee is charged with revising the tariff, as I understand it, and Congress is engaged in that business, and yet you come here and are not willing to give the facts to inform anybody as to whether you ought to be put up or put down as to rates.

Mr. ROGERS. The tariff question, as I understand it, affects only the fine goods—

Mr. CLARK. The tariff question affects the cheap grade of goods more than it does fine goods. I do not care three whoops as to the fine goods.

Mr. ROGERS. The fine goods are the only goods that are imported to any extent from England.

Mr. CLARK. There are some of these fashionable people that would buy English goods if they cost ten times as much as American-made goods. They are the kind of people I am not very much interested in in legislating for. They could live no matter what Congress does.

Mr. ROGERS. If we could manufacture the goods imported from England, it would give more work to laboring people.

Mr. GRIGGS. Let me ask a question right on that point. Your output annually is \$750,000, say?

Mr. ROGERS. We will call it that.

Mr. GRIGGS. How many laborers do you employ?

Mr. ROGERS. About two hundred.

Mr. GRIGGS. One hundred and sixty thousand dollars' worth of harness is imported a year. How many laborers would it take, in proportion to the laborers you use, to make that much harness? It would take about one-fifth, would it not?

Mr. ROGERS. It figures out that way, I should think; yes, sir.

Mr. GRIGGS. If we fix this duty as you want it, you will be able to put 40 more men to work in the whole United States?

Mr. ROGERS. Our industry, I am frank to say, is small compared to a great many of the other industries that have been presented here to-day.

Mr. GRIGGS. No; the importations are small. It is not the industry. Your industry is big enough. You have the whole country for your trade.

Mr. ROGERS. But it is not as large a business as a great many others.

Mr. GRIGGS. You want us to tax everybody in the United States to enable you to put 40 men to work somewhere in the United States.

Mr. ROGERS. I think it would be more than that.

Mr. COCKRAN. Did you hear the gentleman testify to-day concerning saddlery business, who said so far as the general run of the product was concerned, it was supplied by American manufacturers who could not be competed with by any foreign producers. You heard that, did you not?

Mr. ROGERS. I do not know that I did.

Mr. COCKRAN. You agree to that yourself, do you not? In the machine-made goods, you say the American producers surpass everybody?

Mr. ROGERS. Yes, sir.

Mr. COCKRAN. They have no protection?

Mr. ROGERS. No, sir.

Mr. COCKRAN. The amount you speak of now is that small amount that is used by persons whom Mr. Clark describes as wealthy, who naturally would be more inclined to buy a foreign article anyway?

Mr. ROGERS. Some of them would purchase a foreign article anyway.

Mr. COCKRAN. You are merely desiring to keep this duty as against the fine goods?

Mr. ROGERS. Yes, sir.

Mr. COCKRAN. You are not applying to maintain this duty against common, ordinary goods?

Mr. ROGERS. The common, ordinary goods are not purchased and brought from England.

Mr. COCKRAN. Therefore they need no protection whatever?

Mr. ROGERS. There are not any of them brought in at all.

Mr. COCKRAN. They are not even produced here?

Mr. ROGERS. The fine goods, which Mr. Clark spoke of as purchased by the wealthy classes, compose the class of goods brought into this country.

Mr. COCKRAN. Your argument was about saddlery generally. I wanted to make it clear that you merely wish to retain this tariff on the highly finished goods or handmade goods.

Mr. ROGERS. The English goods have always been hand stitched, and if the tariff was taken off entirely they might all get to making machine-made goods.

Mr. COCKRAN. You are merely seeking to maintain this tariff on the high-priced goods?

Mr. ROGERS. On the high-priced goods, as I spoke here.

**KRAEMER & FOSTER, NEW YORK CITY, FILE STATEMENT OF
BARTLEY BROTHERS & HALL, GIVING COMPARATIVE COSTS OF
SADDLES AND HALTERS.**

24-26 STONE STREET,
New York, January 21, 1909.

MR. WILLIAM K. PAYNE,
Clerk of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: We have herewith forwarded a statement from Bartley Brothers & Hall on saddles and halters in comparison with the American manufacturers' prices. We trust you will file this for us if it is not too late.

* * * * *

Respectfully, yours,

KRAEMER & FOSTER.
F. S. K.

	Cost in England.	Duty 45 per cent.	Expenses, insurance, freight, etc.	Total.	Sold to trade.
English demisaddle, complete.....	\$6.70	\$3.02	\$0.97	\$10.69	\$14.00
English all-over pig saddle, complete.....	9.00	4.05	1.30	14.35	19.00
Brass-mounted halter, 1½-inch halters, less fronts.....	13.00	5.85	1.88	20.73	a 27.00
Tinned halter, 1½-inch, 2-row.....	9.00	4.05	1.30	14.35	19.00

^a Less fronts.

For comparison, prices of similar goods made in the United States.

	Catalogue price.	Trade discount.	Net trade price.
		<i>Per cent.</i>	
Demisaddle, complete.....	\$17.00	33½	\$11.33
All-over pig saddle.....	23.00	33½	15.23
Brass-mounted halter, with buff front, 1½-inch.....	50.00	33½	a 33.33
XC trimmed halter, 1½-inch, 2-row.....	28.00	33½	18.66

^a With fronts.

January 19, 1909.

Sworn to before me this 21st day of January, 1909.

[SEAL.]

FREDCK. S. KRAEMER,
Notary Public, Queens County.

BARTLEY BROTHERS & HALL.
A. F. BARTLEY.

Certificate filed in New York County.

SADDLERY AND LEATHER GOODS.

[Paragraphs 447 and 450.]

NEW YORK IMPORTERS ASK FOR CONSIDERABLE REDUCTION
IN PRESENT DUTIES ON LEATHER MANUFACTURES.NEW YORK, N. Y., *December 17, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIR: We, the undersigned, importers of saddlery and leather goods, respectfully call your attention to the tariff act of June, 1897, in which paragraph 447 covers saddlery at 45 per cent and paragraph 450 covers manufactured leather at 35 per cent.

We believe this tariff should be reduced in the revision of tariff now being considered by you. We set forth the following reasons, namely:

First. The tariff on saddlery is prohibitive and has barred out of this country all the low priced, cheaply made saddlery and leather goods. We are suffering from this excessive tariff, and if continued it is only a question of time when the importations will cease entirely.

Second. We claim a reduction of duty will increase the importations, and consequently will increase the revenue and will bring these imported goods within reach of the consumers.

Third. Saddlery is not considered a luxury. We are selling saddlery and leather goods to the retail stores throughout this country, placing it within reach of any person who wishes a well-made article at a reasonable price.

Fourth. If you were to increase the duty on this class of merchandise, it would be instrumental in raising the prices to the consumer on American-made goods. It is this little foreign competition of ours that keeps the prices within reasonable figures.

Fifth. We are importers and jobbers of saddlery and leather goods, and will file separately the wholesale prices on some of these goods purchased in the English market, and our figures can be compared with the American-made goods.

Sixth. Imported English saddlery are hand and machine sewed. English leather is considered to be superior to American dressed leather. We are selling dressed leather to some of the American manufacturers, and under the present tariff they can compete and sell their goods at lower prices than we can sell our simliar English goods, for the reason that dressed leather is assessed at 20 per cent ad valorem. Saddlery is assessed at 45 per cent ad valorem, thereby allowing the American manufacturer a protection of nearly 30 per cent on the made-up articles after using the English leather.

Seventh. The importation of saddlery is gradually decreasing. Almost all the parts which go to make a complete harness are made in this country, with the exception of a small quantity of expensive harness which is imported. Statistical records show that the valuations of imported saddlery and harness are as follows:

In the year of—

1900.....	\$201, 847
1901.....	191, 812
1902.....	246, 355
1903.....	262, 111
1904.....	226, 820
1905.....	203, 578
1906.....	216, 631
.....	101, 363

Eighth. Saddlery manufacturers have enjoyed a protective tariff since 1890 and are now supplying this country with the cheaper grades. They export almost five times as much saddlery as we import. There are only a few items in our stock that can be imported, for the reason that the workmanship and style appeals to the American purchaser.

Ninth. The increase of duty advocated by a leather manufacturer is based on a selfish motive. The American manufacturers supply the great consuming market with nearly all leather goods. If you increase this duty it will prevent our importing the medium-priced leather novelties and, therefore, the average purchaser here will not have an opportunity to purchase a good leather article without paying an exorbitant price. The manufacturer advocating an increase of duty naturally does so for the purpose of raising the prices of the products to the consumer.

In conclusion we beg to present our earnest protest against any increase of duty in the revised tariff. Saddlery and leather manufacturers are not in need of any further protection. This is confirmed by statistical records. We recognize the principle that this country should tax foreign-made articles for the purpose of protection and revenue, but the tariff must not be prohibitive nor at such a rate as to put the imported article beyond the reach of the consumer.

We respectfully ask for a reduction on the present tariff rates. We believe that if you will place saddlery at 35 per cent and manufactured leather at 30 per cent it will afford an ample protection to our manufacturers and result in an increase in revenue.

Yours, respectfully,

BARTLEY BROS. & HALL.
CHAS. CALEB BARTLEY.
MARTIN & MARTIN.
GEO. HARRIS.
WALTER J. LEE.

CATGUT.

[Paragraphs 448 and 517.]

JOHN W. SHIELDS, BROOKLINE, MASS., PETITIONS FOR ADDITIONAL PROTECTION FOR SNELLED FISHHOOKS.

BROOKLINE, MASS., *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I ask your kind consideration of the following matter: I am a small manufacturer of fishing tackle and located in Brookline, Mass. One branch of the business is the tying of hooks to silkworm gut by hand, commonly known as snelled hooks. Now, I import these hooks from Redditch, England, on which there is a duty of 45 per cent ad valorem. The gut which I tie on the hooks is a raw material to me and there is no duty on it.

Now, my competitor on the other side sends into this country hooks tied on gut and the duty is but 25 per cent. Now, I protest against the existing state of affairs, and have for the past few years,

but can get no redress. As the majority of the fishhooks used in this country are made in Redditch, England, I can not understand where my protection comes in.

All I ask is an equitable or fair rate, so I can compete better with my competitor on the other side. As things now exist he has much the better of it.

I have and my father before me spent the best part of our lives in this business, and I consider myself an expert in matters pertaining to it. Hoping you will consider my great interest in this matter, I am,

Very truly, yours,

JOHN W. SHIELDS.

THE AMERICAN SURGICAL TRADE ASSOCIATION WISHES UN-MANUFACTURED CATGUT KEPT ON FREE LIST.

727 BOYLSTON STREET,
Boston, January 6, 1909.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: It has been called to my attention that certain manufacturers have appeared before your committee and advocated a duty on raw catgut, a suture material which enters largely into the experience of most physicians throughout the country. I wish to protest against any duty on catgut, for the reason that it is being made successfully in this country at present, and therefore I can not see any reason why a duty should be added to one of the necessities which is used largely by physicians and charitable institutions.

Yours, very truly,

F. H. THOMAS,
Secretary American Surgical Trade Association.

HORN COMBS.

[Paragraph 449.]

JACOB W. WALTON SONS, FRANKFORD, PA., ASK A SPECIAL PARAGRAPH AND INCREASED RATE FOR HORN COMBS.

FRANKFORD, PA., *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS.
Washington, D. C.

GENTLEMEN: The manufacturing firms of W. H. Noyes & Bro., of Newburyport, Mass.; of G. W. Richardson, of the same city, together with my own firm, Jacob W. Walton Sons, of Frankford, Pa., have requested the writer to present to your committee the situation regarding the horn-comb industry as affected by the tariff.

Horn combs are made of cattle horns, and some years ago the production in this country supplied us with all our raw material at a moderate price; but owing to the breeding of short-horn cattle and the process of dehorning, the quantity and quality of American horns have fallen so low that it has been necessary for some years for Ameri-

can manufacturers to buy a large part of their material in European markets, where the foreign manufacturers have the advantage of being on the ground.

The product of the foreign comb manufacturers has always found a market in this country, but under present conditions there is an increase in the number of sizes and styles, many of them copies of our makes, which enter our market and drive out the domestic goods. This competition is more keen and difficult to meet each year, particularly in view of the fact that the scale of wages we are required to pay has advanced.

A very considerable item of comb imports consists of fine hand-made combs, which sell in all the department stores and among the dealers in better goods. Some of these goods, manufactured in France, are made in a manner that we could not presume to have sufficient tariff to enable us to compete. In these goods the item of hand labor figures very largely. While in France in 1904 I was informed by horn brokers and other men familiar with the business that it is the custom of the large manufacturers to prepare the horn stock up to a certain point and then farm it out to families, who take the work home and there put upon it the fine hand labor which produces the superior article. For this work the families, consisting of father, mother, and several children (sometimes five or six), receive the equivalent of about \$5 for a full week's work. This statement had previously been made to me by Frenchmen in this country who were familiar with the comb industry of France.

There is also a line of very cheap combs coming here from Italy, Scotland, and the Netherlands which we can hardly expect to compete with. Among these are pocket combs in cases, which are delivered in New York for \$1.25 per gross, duty paid, or of a line of fine-teeth combs at ridiculously low prices.

While thousands of dollars of these goods are continually shipped here, we do not advocate such protection as would give the American manufacturers a monopoly in this market.

The burden of our plea is that the tariff should be high enough to enable the American manufacturer, paying decent wages to workmen, to make reasonable profits and retain the market which legitimately belongs to them.

While there has been a large increase in the consumption of horn combs in this country, the industry has not advanced correspondingly. The decline in the cleared horn line of dressing and fine-teeth combs is particularly marked, the foreign manufacturers having this field practically to themselves, although most of our factories are equipped for this work, and if it were possible to compete could give employment to a goodly number of workmen.

Within a month the representative of the Aberdeen Comb Works, which we understand is a large consolidation of English and Scotch comb factories, came to this country and is now in the West offering a comb known as a metal-end tooth dressing comb, quoting prices that forbid competition by domestic makers. These goods, which were invented by one of the American firms and sold under patent rights, and since then for a number of years have been a free-selling article, furnishing the factories from 25 per cent to 50 per cent of their business, are mounted with nicoline, which the foreigner buys in Europe free of duty, but on which the American manufacturer must pay 45

per cent duty. The loss of this trade will be a very severe blow to our industry. A proper value for this comb in 7-inch length, which is the predominant size, would be \$7.25 net per gross. The foreign comb is offered at \$5.70 per gross in New York or Chicago, duty and all expenses paid.

If this were a new move the American manufacturers would undoubtedly follow this price down and, even at a loss, hold the trade, but it has occurred so frequently of late that we have to submit to the loss of our customers.

We can submit to you the original invoices of goods shipped from Aberdeen, Scotland, covering a variety of combs, of which we have a few samples. We also have the price lists of French combs received in this country soliciting trade.

We can also furnish combs made by our own factories which correspond closely with the foreign article, also the printed price lists, which have been in use for several years, so as to show a comparison of goods and prices between the American and European manufacturers.

A comparison shows that in many cases the prices quoted from abroad are below the cost of manufacturing the domestic article, which can be accounted for to a very large extent by the low wage scale of the foreign manufacturers.

To manufacture the class of combs made in this country successfully, requires large experience in buying the raw material and inventive skill in order to devise and install the best labor-saving devices, besides close attention to details such as is required in but few lines of manufacture. The amount of invested capital required is large in view of the aggregate production, so that the experience of the manufacturers has not been encouraging.

If a change were made in the tariff schedule either lowering or increasing the rate it would not change the price of the combs to the consumer except in a limited group of the article. The price that is charged for the comb at retail in this country, for probably 75 per cent of the combs sold, is 10 cents. The only effect of lowering the duty would be to enrich the dealer at the expense of the manufacturer, and by the increase of importations reduce the output of our factories, which would result in the employment of less workmen and possibly the retirement of the industry, in which case the foreigner would undoubtedly increase his prices to this market.

On the other hand, an increase of duty would not increase the price to consumers, the revenue to the Government would probably not be materially diminished, and there would be an enlargement of the industry, which would give employment to more American labor.

Our industry has suffered long and severely from the competition of the foreign goods, and domestic manufacturers have often been compelled to lower their standards of quality in an attempt to meet this competition.

We believe the present revision of the tariff gives us the opportunity of securing a just measure of protection, and that good policy and fairness dictate that the interests of the larger number will be conserved by a substantial increase in the duty on horn combs.

We would urge that horn combs be given a special paragraph, and that the duty be made 45 per cent ad valorem and specific duty of 6 cents per dozen.

JOHN WALTON.
JACOB W. WALTON & SONS.

**DE GRAFF & PALMER, NEW YORK CITY, RECOMMEND A SPECIFIC
ENUMERATION FOR HORN COMBS.**

NEW YORK, *December 3, 1908.*

HON. SERENO E. PAYNE, M. C.,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: In behalf of the American manufacturers of horn, and representing the Noyes Comb Company, of Binghamton, N. Y., I present for your consideration the following radical changes in connection with the importation of articles manufactured from horn. The present law reads:

449. Manufactures of bone, chip, grass, horn, india rubber, palm leaf, straw, weeds or whalebone, or of which these substances or either of them is the component material of chief value, not specially provided for in this act, thirty per centum ad valorem; but the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

I respectfully recommend that the "manufactures of horn" be separated from the articles covered by paragraph 449, and a special paragraph covering our product (horn combs) be formed, substituting for that portion of section 449 regarding the manufacture of horn to read:

Manufactures of horn, or of which horn is the component material of chief value, not specially provided for in this act, six cents per dozen on combs, and forty-five per cent ad valorem.

This increase seems to be absolutely necessary if the industry in this country shall prosper or even be allowed to exist.

About fifteen years ago there were 11 horn-comb factories in this country, and to-day there are but 4, as the inadequate duty of 30 per cent does not allow the American manufacturer sufficient protection to enable him to compete with the low wages paid in Aberdeen, Scotland, and in Germany.

Most of the importations into this country come from one horn-comb works in Aberdeen, Scotland. Our factory obtained a United States patent on a metal-back comb, where the back extended over the ends, forming the end teeth, which patent expired a number of years ago, and the fair market value for this article is \$7.25 net, but the competing comb offered by the Aberdeen Comb Works can now be landed in New York City, freight and duty paid, for \$5.70, and beg to say that this comb can not be made in America to meet the foreign price mentioned above. Taking 100 as a unit, the wages amount to 45 per cent and a superintendent's charge of 5 per cent. Notwithstanding the fact that foreign combs are brought into this market at the price mentioned above, the consumer pays exactly the same price at retail for his goods as he does for ours, as the comb can not be retailed at 5 cents, and is universally sold at 10 cents, so that the difference in cost to the wholesale merchant is absorbed by him and the retailer at the expense of American labor.

At our factory we have a large stock of raw material on hand suitable for making combs, which can not be made up at a profit owing to the above conditions. We are prepared to submit samples and substantiate the above facts, if requested.

Praying that your committee may see the justice of making the proposed substitute for that portion of section 449 as outlined, I remain,

Yours, respectfully,

JAMES W. DE GRAFF.
DE GRAFF & PALMER.

JOHN WALTON, FRANKFORD, PHILADELPHIA, SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO HORN COMBS.

FRANKFORD, PHILADELPHIA, *January 1, 1909.*

HON. SERENO E. PAYNE,
*Chairman of Ways and Means Committee,
Washington, D. C.*

DEAR SIR: On December 3, 1908, I sent you a statement or brief in the interest of the horn-comb industry, which was duly received for by the clerk of your committee.

Information of vital importance to the presentation of our plea has subsequently come to my knowledge, and I inclose a supplemental statement, which I trust you will have properly filed, so as to be considered in connection with the brief now filed with the committee.

You will also find attached to this statement a sworn affidavit by the party furnishing the information.

Trusting this matter will receive adequate attention, in which case we feel sure our plea will be granted, I remain,

Very respectfully, yours,

JOHN WALTON.

FRANKFORD, PHILADELPHIA, PA., *January 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Since the presentation of the brief filed with the Ways and Means Committee, December 3, 1908, a number of facts have come to our knowledge bearing on the horn-comb industry which are important and should be added to the previous statement, and are hereby submitted.

The wage scale in the Aberdeen Comb Works, Scotland, of which we have positive information, as per attached sworn affidavit, is as follows: Managers receive salaries not exceeding \$15 per week; foremen from \$6 to \$7.50 per week; the best workmen from \$4 to \$6.50 per week. Women earn an average of from \$2 to \$3, and boys, who must be 14 years old, start at \$1 per week, and they receive this rate for a considerable period.

As comb making is not considered a man's work in Scotland, outside of manager, foremen, machinists, and a few men for very hard work, the large proportion of employees are women and minors.

On the contrary, our labor is principally men.

A conservative estimate of the relative amount of the labor cost as between the foreign and domestic manufacturers is that the foreign wages for the same amount of labor would be less than 33½ per cent of the American wage cost. These figures relate particularly to Scotland, and are well within the facts. In other countries the rates would probably be lower.

From these facts we claim that the plea for 45 per cent ad valorem and 6 cents per dozen specific duty on horn combs is a very reasonable request by the American horn-comb manufacturers.

Respectfully submitted.

JOHN WALTON,
Of Jacob W. Walton Sons,
Manufacturers of Horn Dressing Combs.

EXHIBIT A.

FRANKFORD, PHILADELPHIA, PA., *December 31, 1908.*

I, John Rogers, of 4151 Paul street, Frankford, Philadelphia, Pa., was in the employ of the Aberdeen Comb Works Company, Aberdeen, Scotland, for forty-two years. During this time I worked in the various departments, and for a number of years I was employed as foreman.

The rates of wages paid by this firm at the time my employment with the said firm ceased were as follows:

Managers, average wages not over 60 shillings, or about \$15 per week.

Foremen, average wages not over 25 to 30 shillings, or about \$6 to \$7.50 per week.

Men, average wages not over 16 to 27 shillings, or about \$4 to \$6.50 per week.

Women, average wages not over 8 to 12 shillings, or about \$2 to \$3 per week.

Boys, average wages not over 4 to 5 shillings, or about \$1 to \$2 per week; this latter rate gradually increasing as the boys reach manhood.

I have been in constant correspondence since I left Aberdeen with employees of the comb works who are my old friends and neighbors, and I am sure that rates have not advanced, but rather have decreased since that time.

JOHN R. ROGERS.

John Rogers being duly sworn according to law, deposes and says that the facts set forth in the above statement to which he has attached his signature are true to the best of his knowledge and belief.

JOHN R. ROGERS.

Sworn and subscribed to before me this 31st day of December, 1908.

[SEAL.]

THOS. B. FOULKROD,
Notary Public.

Commission expires January 27, 1909.

**THE G. W. RICHARDSON COMPANY, NEWBURYPORT, MASS., ASKS
FOR INCREASE OF DUTY ON HORN COMBS.**

NEWBURYPORT, MASS., *January 2, 1909.*

HON. SAMUEL W. MCCALL, M. C.,
Washington, D. C.

DEAR SIR: As manufacturers of horn combs, we would like to call your attention to the tariff on this article under Schedule N, paragraph 449, of the tariff law.

The situation in this industry has been presented to the Committee on Ways and Means by Mr. John Walton, of Philadelphia, by a brief filed on December 3, and by a supplement just submitted, and as a representative of this State on that committee we desire to call your personal attention to the arguments and to add a few words on the subject.

This industry is principally carried on in the States of Massachusetts, Pennsylvania, and New York, and although the various parties engaged in same have given strict attention to the details of the business and have been energetic and ingenious in inventing labor-saving devices, the business has not kept pace with the growth of the country.

This is largely due, in our opinion, to the strong competition of the foreign manufacturers, notably those of Great Britain, France, Italy, and the Netherlands, who are sending large quantities of combs to this country and underselling us, notwithstanding the present duty.

We consider that the low wage scale and low cost of supplies abroad is the secret of their ability to do this, and the cost of the above items is fully 50 per cent of the total cost.

The supplementary brief recently submitted by Mr. Walton gives facts in relation to the wage scale in Scotland which are of great importance when considering what is a fair measure of protection, and we call your especial attention to same.

As women perform much of the heavy work in Scotland, for which we employ men at a rate of \$10.50 to \$13.50 per week, it is clear to us that the total labor cost in Aberdeen would not exceed 30 to 33½ per cent of what it is in this country.

One of our principal items is a 7-inch metal guard tooth comb, with a metal back of nicolene. This comb has been copied by the Aberdeen people and is now sold in this country by them at \$5.70 per gross, duty and freight paid.

A fair price for this is from \$7 to \$7.50 per gross. The comb retails at 10 cents. The nicolene used in this article by the American manufacturer is increased in price by a duty of 45 per cent.

The industry in this city gives employment to about 200 hands, which number might be materially increased if the American market could be retained for the American manufacturer.

We appreciate that the general tendency is toward a lowering of the tariff, and have no doubt that the rate on many articles can be reduced without hardship to the manufacturer or his employees; but we assume that the committee will judge each article on its merits, and we earnestly believe that the situation in the horn-comb industry is such as to entitle it to a higher rate.

As the present duty had proved inadequate to protect us, we feel that the ad valorem rate should be increased to 45 per cent, and that a specific duty of 6 cents per dozen be added.

This would not increase the cost to the consumer, and would be of great aid in building up the industry in this country.

Yours, very truly,

G. W. RICHARDSON COMPANY,
G. W. RICHARDSON, *Treasurer*.
W. H. NOYES & BRO. CO.,
W. HERBERT NOYES, *Treasurer*.

RUBBER SPONGES.

[Paragraph 449.]

THE N. TIRE RUBBER SPONGE COMPANY, CHICAGO, ASKS FOR SPECIFIC CLASSIFICATION FOR RUBBER SPONGES.

CHICAGO, ILL., *November 28, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We ask your committee to give consideration to a new industry which we are endeavoring to establish in the United States, namely, the manufacture of toilet sponges made from a compound of india rubber and known as rubber sponges.

This industry, both here and abroad, has had its origin since the last tariff was enacted, and therefore they are not enumerated under it and the duty has been ruled to be under the head of "Manufactures of india rubber."

Paragraph 449 is very broad in its nature and varying greatly as to the percentage that wages play in arriving at the cost. Many articles under a head so broad as this are made practically wholly by machinery, and labor is but a small part in computing the outlay for the manufacture. With goods of the nature of ours, in which labor is the most important item, we hold that they should be separated from and taxed under an entirely different heading and upon an entirely different basis than in which the art is old and machinery has been made in a large measure to supplant hand labor.

Our principal competition comes from Russia, where the factories are under government patronage, if not actual government ownership (authorities consulted differ on this point), but as near as we have been able to ascertain workmen and workwomen of a corresponding class of skill and intelligence to those employed to do the same work as we engage them for take the following comparative schedule of wages:

	Russia per day.	United States per day.
Girls.....	\$0.23 to \$0.25	\$1 to \$1.25
Boys:		
Second class.....	.23 to .25	1.17 to 1.25
First class.....	.25 to .30	1.67
Men:		
Second class.....	.40	3.00
First class.....	.48	5.00

Assuming the same number of people are employed in handling and making each sponge in both countries, the average weekly wage paid in Russia would be \$2.05 as against \$10 in this country, or an advance in the pay roll of the United States manufacturer of nearly 500 per cent over that of his Russian competitor.

There is no duty on crude rubber into this country, but there is on other materials employed in the compound (antimony 20 per cent; vermilion, 10 cents per pound, which equals at present price 20 per

cent). These materials are subject to wide fluctuations in price and we concede can be obtained in this country at only a small difference in cost as against the foreign market, the only difference being the duty as given.

We therefore base our claim for a change in duty upon the difference in cost of labor, as well as the well-known difference in cost of doing business in this country over that of any other.

Now, having conceded that there is but slight difference in cost of materials, but great difference in cost of labor, machinery, and general expenses, we ask that we be given the benefit of a duty which will more nearly meet our competitive conditions, by fixing a duty at a given rate per pound. We can then rely to some extent upon the duty as offsetting the added expense of labor, etc., which change but seldom, and still have the cost of materials on a competitive basis.

Assuming the foregoing table of comparative cost of labor is the actual difference, you will readily see that it is on the difference of labor, not material, that we should be given protection.

We, therefore, ask a fixed duty of \$1.25 per pound as an offset for our fixed difference in cost of labor. Based on the present price of the foreign-made article it would be equal to a duty of 50 per cent in place of 30 per cent, as now fixed, and would, we believe, assure us of an equalized competitive basis. To illustrate our point: During the late panic the price of crude rubber declined from \$1.30 per pound to 65 cents without any corresponding reduction in the cost of labor. It is evident, therefore, with such a reduction in the cost of crude materials and in reduction in labor that the percentage of labor cost increases as the price of materials decreases, and that a duty fixed upon a percentage basis of value becomes nonprotective every time the relation of cost of material and labor are out of exact balance, a condition that they are frequently subject to with a change in the crude material markets.

We regret that we can not give exact figures as to the cost of foreign production, but our best endeavors have been unrewarded on this point.

As to the value of these goods imported to this country we are unable to give you any definite figures, as both custom-house and the Department of Commerce and Labor, Bureau of Statistics, have been unable to give us any information, but from the best trade information the importation amounts to between \$300,000 and \$500,000 per year.

Under the conditions as they exist under the present tariff act we have been unable to secure any return whatsoever on our investment, though we have been in operation nearly three years, and have at all times practiced the most rigid economy in the policy of our business. We shall be pleased to furnish any other information that your committee may desire and which we are able to secure.

Respectfully,

N. TIRE RUBBER SPONGE COMPANY,
By B. B. FELIX.

**THE ALFRED H. SMITH COMPANY, NEW YORK CITY, WISHES A
LOWER RATE OF DUTY ON RUBBER SPONGES.**

NEW YORK CITY, *January 12, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are engaged in the importation of rubber sponges, for which there is no specific provision in the tariff act of July 24, 1897, but which are classified for duty under the general provision for manufactures of rubber in paragraph 449 of Schedule N at the rate of 30 per cent ad valorem.

We desire to submit for the consideration of your committee certain statements of fact and reasons which we believe will convince you that we are entitled to a lower rate of duty than that now assessed on these goods.

Our attention has been called to a brief submitted by the N. Tire Rubber Sponge Company, and published in the hearings. We call your attention to the following statements in said brief to which we take exception, namely:

1. Labor is the most important item in the production of rubber sponges.
2. Russian factories are under government patronage if not actual government ownership.
3. Wages paid to workers in factories in Russia and this country.
4. Importations amount to between \$300,000 and \$500,000 per annum.
5. A duty of \$1.25 per pound is equivalent to a duty of 50 per cent ad valorem based upon the present price of the foreign-made article.

LABOR.

Labor is not the most important item in the manufacture of rubber sponges; the process of manufacture is a secret one known to the factory only as far as the admixture of chemicals and the proportions thereof, but we know of our own knowledge that the article is produced in the following manner, namely: Crude rubber is mixed with certain chemicals, then heated to a certain temperature, the heat acting upon the chemicals and forming gases which force their way through the rubber, leaving it in a porous condition. After this process is completed, there is a crust on the outside similar to that on a loaf of bread. The material is then cut by knives in the various shapes and sizes desired. All of this work is done by machine with the exception of the cutting to shapes and sizes, and it therefore appears that by far the greater proportion of cost of production is machine labor and not hand work.

GOVERNMENT OWNERSHIP.

We are the direct agents and only representatives of the factory producing the article we import, and we know that said factory is not under government ownership.

COMPARISON OF WAGES PAID.

We are not in a position at this late date to obtain the actual wages paid to operatives in Russia or in this country, but we do know that during the last few years there have been successive advances in the

scale of wages paid to operatives in Russia in factories which we believe was caused by the changed labor conditions there since the advent of the Douma and the agitation amongst the laboring classes, and prices to us have been correspondingly raised because of said facts.

They give the following schedule for wages paid in this country in their factory.

	Per day.
Girls -----	\$1.00 to \$1.25
Boys:	
Second class -----	1.17 to 1.25
First class -----	1.67
Men:	
Second class -----	3.00
First class -----	5.00

We have no positive knowledge what they pay their help, but it is confidently asserted that if they pay any such prices for labor they pay much higher wages than the average American manufacturer for work of this kind, for we know that boys and girls that work in mills frequently receive not more than 50 cents to \$1 per day, and that men, outside of the foremen and the heads of departments, are glad to work for \$2 to \$2.50 per day, and we have no hesitancy in stating that only the very skilled operatives receive as high as \$3 per day, which is the wage given for second-class workmen in their statement.

It will be noted that they give no authority for the Russian wage schedule which they submit, and that in the third from the last paragraph they state that they can not give exact figures as to the cost of foreign production. If they are in a position to give the prevailing rate of wages paid in Russia, and as they concede that raw materials can be obtained in this country at only a small difference in cost as against the foreign market, we fail to see why they can not give the actual cost of production in Russia, unless they do not have any confidence in their own figures. It would, therefore, appear that said figures are manifestly mere guesswork and entitled to no consideration whatever from your committee.

It is urged that the only just and equitable protection is that protection which compensates the American manufacturer for the difference in the cost of labor in this country and abroad, and it is submitted that your committee should consider the difference in the labor cost per piece, not wages per man. This distinction is essential and can not with justice and safety be ignored, for we believe it is conceded that American workmen who operate machines or who perform any labor in mills in this country produce greater results in a given time than a like number of the underpaid and lower-class workmen employed in foreign factories, and, therefore, if for sake of argument we concede the prevailing rate of wages even to be 100 per cent higher in this country than in Russia, if the American operative can produce twice as much results from his labor, the net cost per piece to his employer is not more than the net cost per piece to the employer of foreign labor.

AMOUNT OF IMPORTATIONS.

They state that between \$300,000 and \$500,000 in value of these articles are imported per annum. We estimate we import at least

90 per cent of all the rubber sponges brought into this country, and for your information we submit the following amounts in quantity and value of said sponges sold by us for the last six years:

	Dozen.	Amount.
1903	14, 476	Not obtainable.
1904	16, 557	\$71, 598
1905	12, 193	51, 076
1906	9, 890	46, 379
1907	7, 931	34, 195
1908	5, 576	26, 600

These are actual figures from our books and may be proven to the satisfaction of your committee in any manner that you may deem necessary, and we insist that they speak for themselves and will prove that their further statement in the last paragraph of their brief that they have been unable to secure any return on their investment would seem to be incorrect, for the reason that it will be noted that our sales have decreased each successive year as our domestic competitors have been able to put upon the market an article which is a substitute for ours, and which they have sold in very large quantities, because they are in a position to quote prices 50 per cent lower than our prices. Under these circumstances, it can not be said that the domestic interests are entitled to even the protection they now receive of 30 per cent ad valorem.

AD VALOREM EQUIVALENT OF \$1.25 PER POUND.

Our sponges all weigh about the same and we have taken for example a case we entered in the steanship *Bovic*, case No. 683, of the value of \$230, upon which we paid 30 per cent duty, namely, \$69. The sponges in said case weighed 130 pounds. Taken at \$1.25 per pound equals \$162, or equivalent to approximately 75 per cent of the value of said case. We give this one instance so that it can be referred to, but we may state, however, that 75 per cent ad valorem would be approximately the equivalent of \$1.25 per pound on all of our sponges.

We have imported this article from Russia for about seven years, but did not push the sale vigorously until 1903, when we gave it the name of "Kleanwell," and built up a considerable business through extensive advertising for a number of years. The article then became well known and was asked for by its name in the various retail shops where they were on sale.

Our prices on the average are 50 per cent higher than those of the domestic article, as will appear from the following table of prices at which the goods are sold in this country at wholesale:

	N. tire per dozen.	Ours per dozen.
Size No. 1	\$1. 75	\$2. 03
Size No. 2	2. 25	3. 06
Size No. 3	2. 75	3. 69
Size No. 4	3. 25	5. 45
Size No. 5	4. 25	6. 62
Size No. 6	5. 25	11. 34
Total.....	19. 50	\$2. 19

NEW PARAGRAPH SUGGESTED.

As it appears that the domestic interests are able to quote wholesale prices 50 per cent less than we can quote them for the same article, it would seem that we are entitled to a reduction of at least 50 per cent of the present rate of duty, and it is therefore suggested that a specific provision be placed in the tariff act now in the course of preparation in the following language:

“Sponges made wholly or in chief value of rubber, twenty per centum ad valorem.”

If your committee is not disposed to give these articles a paragraph by themselves, we would suggest that the provision in paragraph 82, Schedule A, which now provides for

“Sponges, twenty per centum ad valorem,” and which has been judicially determined does not include rubber sponges (see G. A. 5944, T. D. 26091, affirmed by the circuit court of appeals in *Alfred H. Smith Company v. United States*, 149 Fed. Rep., 1022), be changed so as to read as follows:

“Sponges, including sponges made wholly or in chief value of rubber, twenty per centum ad valorem.”

We believe that we have shown in the foregoing that we are entitled to at least this reduction in duty so that we can compete with the domestic interests on an equal footing, and unless it is granted we fear that our sponges will be gradually driven from the market, as our sales have been decreasing each year and our profit becomes correspondingly smaller, so that we are not in a position to spend the amount of money that we have heretofore for advertising, and we believe that there is no better object lesson than the statement of our sales given herein, from which it will be seen that from a business in 1904 of 16,557 dozen, in value \$71,598, our sales have decreased by approximately 65 per cent, until in 1908 our sales were but 5,576 dozen of a value of \$26,600.

From the standpoint of revenue we insist that there is no answer to our argument, for manifestly if our business continues to decrease as it has in the past five years it is a matter of but a very short time when the Treasury of the United States will receive practically no duties from importations of rubber sponges, and unless our request for a lower duty is granted we can see no future to this business except in the hands of the domestic manufacturers.

Respectfully submitted.

ALFRED H. SMITH COMPANY.

STRAW BOTTLE COVERINGS.

[Paragraph 449.]

HON. J. H. DAVIDSON, M. C., WRITES RELATIVE TO THE FREE IMPORTATION OF STRAW COVERINGS FOR BOTTLES.

WASHINGTON, D. C., *December 16, 1908.*

CHAIRMAN COMMITTEE ON WAYS AND MEANS,
House of Representatives.

SIR: I had hoped by this time to be able to present to you a brief on the subject of the duty on manufactured hay and straw products.

My constituents have not yet been able to submit their statements to me. Briefly stated, the situation is as follows:

In Wisconsin we have an immense acreage of marsh grass, a wiry coarse grass which grows on the lowlands along the rivers and is not suitable and can not be used as hay for stock feeding. This grass is now being used very largely in making mattings and also for packing furniture and other such goods.

There is also what is known as the straw bottle covering industry, in which some of my constituents are engaged.

There is at present, I believe, a duty upon straw products. This ought to be continued.

The present law permits to be entered free of duty straw coverings when used on bottles imported. There is, I think, no objection to this provision when the covering is used upon filled bottles and the bottles are resold to the consumer, the cover continuing thereon.

There are, however, large quantities of empty glass bottles imported into this country for the drug and other trades which use bottles. These bottles have never been filled or used. While the straw covering may be an additional protection in the shipping of empty bottles, yet after the bottles are received in this country, I understand the practice is to remove these straw coverings, bale them, and put them upon the market in competition with straw coverings manufactured in this country.

In foreign countries straw coverings are manufactured by hand, and largely in the family, where all members of the family take part in the work, thus reducing the cost of manufacture to the minimum.

In this country they are largely manufactured by machinery, the machines being operated by girls who receive good wages.

A suitable duty should therefore be imposed sufficient to protect this industry. At the same time provision should be made so as to prevent that improper and unfair competition which comes from placing upon the market in this country straw coverings which have been heretofore used on bottles imported, and which on this account have not paid duty.

Yours, very respectfully,

J. H. DAVIDSON, M. C.

EXHIBIT A.

OSHKOSH, Wis., *December 17, 1908.*

Hon. J. H. DAVIDSON,

Washington, D. C.

DEAR SIR: I have been running a straw-bottle-cover factory in this city for the past twenty years. The fact of the matter is that the only time I could get into the market with my wrappers was when there was a shortage of straw in the old country.

I have a large amount of money invested in machinery, buildings, and equipment, that in the past twenty years has laid idle more than half the time. My factory could have been running the year round at a profit if I was given a proper protection; that is, if the tariff on imported bottle wrappers was so placed as to equalize the cost of manufacture. In the United States and Germany, with a low price of labor and straw in Germany and the high price of labor and straw

in the United States, it is impossible for me to meet the prices made on imported straw wrappers. Hoping you will give us relief, I remain,

Very truly, yours,

LOUIS SCHNEIDER.

EXHIBIT B.

OSHKOSH, Wis., *December 17, 1908.*

HON. J. H. DAVIDSON,
Washington, D. C.

DEAR SIR: As you will note, we, the Oshkosh Bottle Wrapper Company, have been making bottle wrappers for the last five years. We started in making hay wrappers, but found in the course of business that a large bulk of the trade insisted on having straw wrappers, for the reason that straw wrappers have been used in the packing of wines, etc., for over one hundred years and that it would be necessary for us to make straw wrappers, which we have attempted to do and have been obliged to discontinue manufacturing straw wrappers for the reason that the imported straw wrapper has been laid down in our market for less money than we can make a straw wrapper for.

The girl operators that run our machines earn from \$7.50 to \$9 a week; the helpers, that is, the girls who take away from the machines, earning from \$5 to \$6 per week. All of this work is done by girls over 16 years old, while in Germany, where most of the imported bottle wrappers are made, the operator earns not exceeding 30 cents of our money per day and the helper is not paid, this being an industry done by the family where all the children help to get these goods out.

We have to comply with the state labor law, and can not employ children under labor age. If we had protection to cover only the difference of the cost of production, we know that a large industry could be established in our country, and this would help not only the manufacturer and laborer, but would help the farmer by giving him an increased price for his rye straw, which they could thrash with a special constructed thrashing machine such as they are using in some parts of this country to-day to secure long rye straw for the manufacturing of harness collars. Under the present tariff conditions it is impossible for us to manufacture straw wrappers and compete in price with the German product.

Another great factor in keeping the price of bottle wrappers down below our cost of production here is the fact that annually large quantities of bottles are imported into this country with straw wrappers. These wrappers covering these bottles come in duty free, are then baled up and put on the market as new wrappers. These wrappers should certainly pay a duty.

We inclose you here a letter received a few days ago from the Schlitz Brewing Company, of Milwaukee, and this is only a sample of the many that we receive in trying to do business with large buyers in straw wrappers.

Yours, very truly,

OSHKOSH BOTTLE WRAPPER CO.,
Per WM. DICHMANN, *President.*

EXHIBIT C.

MILWAUKEE, *December 12, 1908.*

Mr. WILLIAM DICHTMAN,
Oshkosh Bottle Wrapper Co., Oshkosh, Wis.

DEAR SIR: Your favor of the 10th instant to hand; also sample wrapper. While this wrapper is a good and safe one, we fear that you will have but little sale unless you will be able to considerably reduce price. The ordinary straw wrapper gives full protection and, as you are aware, is much lower in price.

Yours, truly,

JOS. SCHLITZ BREWING CO., BOTTLING DEPARTMENT.

—

MAYVILLE, WIS., *December 17, 1908.*

Hon. J. H. DAVIDSON, M. C.,
Washington, D. C.

DEAR SIR: I have a factory here for the manufacture of straw bottle covers, and tried to compete with the imported straw covers, but could not do so. In 1905 I went to Europe and investigated the manufacture there, and found it was a house industry. Their raw material is cheaper and better than we can get, because we have to use a machine-thrashed straw, while they get a flail-thrashed straw, of which they can use all for covers, while our machine-thrashed straw is half waste. The wages of the operator is also against us. I found that the people over there were satisfied with an earning of 20 to 25 cents per day of our money, while we have to pay \$1 to \$1.50 per day for our operators.

If we could have protection, a large industry could be developed in that branch, but as it is now there is nothing can be done. My factory has been closed for the last five years, and I can not use the factory for the manufacture of bottle covers unless we get a protective tariff that will nearly offset the difference in cost of manufacture in Europe and this country. The people over in Europe use a very similar machine for the manufacture as we use here. The only difference that I could see was that their machines were operated by foot power while ours are operated by steam power. An expert operator will turn out as many covers on their machines as an ordinary operator will turn out on ours.

Very respectfully,

A. F. SCHOEN.

—

FANCY LEATHER GOODS.

[Paragraph 450.]

STATEMENT OF EDWARD J. DEITSCH, 14 EAST SEVENTH ST., NEW YORK CITY, RELATIVE TO FANCY LEATHER GOODS.

SATURDAY, *November 28, 1908.*

Mr. DEITSCH. I have a very severe cold, and you will have to bear with me, Mr. Chairman.

The CHAIRMAN. Perhaps you had better file your brief.

Mr. DEITSCH. No; I will try not to distress you, sir.

The CHAIRMAN. It will distress you; I am not distressed.

Mr. DEITSCH. I come here to represent the fancy leather goods manufacturers of New York City and vicinity. The headquarters of this branch of the industry are in New York City. Next in importance is Philadelphia, and after that comes Chicago and some cities in Massachusetts, and more or less all over the country.

The capital invested in this industry is roughly estimated at \$2,000,000, and the industry employs altogether probably 5,000 wage-earners, with an annual product from all factories of about \$8,000,000.

I wish to say in starting that the statistics on fancy leather goods are very difficult to secure. When I speak of fancy leather goods I mean small bags and traveling requisites. They are submerged in the tariff schedules, and it is almost impossible to ascertain the quantities that have come into the country or the quantities that are made.

The wage-earner in this country gets about one and one-half to two times the wages he gets for the same work abroad. The materials cost about 20 per cent more here than they do abroad, if they can be procured at all, but in many cases they can not be procured.

I have some exhibits to show you, gentlemen, which will probably result in a considerable saving of time. I will present them in a few moments.

Leather goods—called familiarly fancy leather goods, meaning thereby ladies' bags, jewel boxes, toilet rolls, and so forth—are as much articles of luxury as jewelry, though they come in at 35 per cent.

It is a simple and easily understood proposition without the assistance of statistics, which, however, I unfortunately could not obtain. Nevertheless, the facts are unquestioned that this line of business has suffered largely within the last ten years by being brought in direct competition with European manufacturers. Ten years ago the manufacturers of leather goods in New York City and vicinity were amply able to manufacture successfully in competition with the foreigner. The cities of Offenbach, in Germany, and Wallsal, in England, and Paris, in France, and Vienna supplied our help.

Mr. GRIGGS. Nothing in Belgium?

Mr. DEITSCH. No, sir; there are no small leather goods made in Belgium.

The goods made abroad have crowded this market in the last year or two to such an extent that I am prepared to say that to-day there is in the neighborhood of \$2,500,000 or \$3,000,000 imported, where ten years ago there probably was not \$150,000 of these goods brought into the country. This comes from two reasons: One is the unfairness in the way of figuring, which is best explained from a sample I will show you, which will only take a moment.

I now show to the committee a toilet roll made in this country. The same thing made abroad pays 35 per cent duty when it comes in. If a manufacturer in this country wants to produce this same article—and we do produce it—we have to pay an average of nearly 50 per cent for the materials that go toward making this completed article.

Mr. GRIGGS. Is that case manufactured here?

Mr. DEITSCH. Yes, sir.

Mr. COCKRAN. What is the name of your firm?

Mr. DEITSCH. Deitsch Brothers.

Mr. COCKRAN. Where is your place of business?

Mr. DEITSCH. 14 East Seventh street. You have been in it, Mr. Congressman.

Mr. COCKRAN. Oh, yes.

Mr. GRIGGS. How long has this business been established in this country?

Mr. DEITSCH. Fifty years.

Mr. GRIGGS. And you flourished up to ten years ago?

Mr. DEITSCH. For the investment, it has not been a very flourishing trade.

Mr. GRIGGS. Not for the last ten years?

Mr. DEITSCH. No, sir.

Mr. GRIGGS. Do you object to stating the percentage of profit you have made?

Mr. DEITSCH. Gross or net?

Mr. GRIGGS. Net.

Mr. DEITSCH. About $7\frac{1}{2}$ per cent.

Mr. GRIGGS. Now?

Mr. DEITSCH. Not this year; no, sir. This is an off year.

Mr. GRIGGS. During the past ten years?

Mr. DEITSCH. In the past ten years; no, sir.

Mr. GRIGGS. When did you make it?

Mr. DEITSCH. Up to about ten years ago.

Mr. GRIGGS. Up until about ten years ago?

Mr. DEITSCH. Yes.

Mr. GRIGGS. What has been your percentage of profit during the past ten years?

Mr. DEITSCH. Four and one-half to 5 per cent. The articles which come in here, if we buy them in this country, whether made here or made abroad, will cost us—

Mr. GRIGGS. Your firm is composed of how many individuals?

Mr. DEITSCH. Two.

Mr. GRIGGS. Both of them drawing good salaries?

Mr. DEITSCH. It depends on what you call good. We have always been able to make a living.

Mr. GRIGGS. I am simply trying to ascertain the condition of the industry.

Mr. DEITSCH. I am trying to explain that the industry is suffering to-day from a peculiar condition. It seems but an unimportant thing for you gentlemen, I presume, but ten years ago we could beat the foreigner. We can not do it now.

Mr. GRIGGS. What is the trouble?

Mr. DEITSCH. Because they have come over here and learned our methods and bought our machinery and gone abroad with our workmen, and, with some of their own they have sent over here, they are now in a position to manufacture goods that ten years ago they could not make in competition.

Mr. GRIGGS. They have taken our workmen over there?

Mr. DEITSCH. Taken Americans into their firms; yes, sir.

Mr. COCKRAN. What do you mean by "over there?"

Mr. DEITSCH. Germany.

Mr. GRIGGS. Do they not pay as good prices to American labor over there as you do over here?

Mr. DEITSCH. To one or two merely to superintend the factories, but not to any quantity of American workmen. Most of these are manufactured in Germany, and the foreign manufacturer sends into this market and offers his goods freely. They come in as a completed article.

Mr. GRIGGS. Do you want to increase the tariff?

Mr. DEITSCH. Yes, sir.

Mr. GRIGGS. I am willing to vote for that, even though I am a Democrat. That is a luxury.

Mr. DEITSCH. The foreigners send their salesmen into this market and take an order and send in the completed article under a 35 per cent duty, and if I want to sell the same article here it costs 50 to 60 per cent for the fittings that go to make the article. That is unfair on the face of it, because their articles come into this country as completed articles and only pay 35 per cent.

BRIEF FILED BY EDWARD J. DEITSCH, NEW YORK CITY, RELATIVE TO DUTIES ON FANCY LEATHER GOODS.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: Fancy leather goods have been manufactured in America for over sixty years. The headquarters of this branch of industry is New York City. Next in importance is Philadelphia; and after that Chicago and some cities in Massachusetts, and more or less all over the country. The capital invested is, roughly, \$2,000,000, and employs altogether probably 5,000 wage-earners; annual product of all factories about \$8,000,000; and the wage-earner here gets about one-half or two times the wages he does for the same work abroad. The materials cost about 20 per cent more here than they do abroad, if they can be procured at all, but in many cases they can not be procured. There is no combination among the leather-goods manufacturers, and the business is largely in the hands of small manufacturers, whose profits, in comparison to the amount invested, makes the business difficult enough under ordinary conditions, but when placed in competition with European cheap labor makes it almost impossible.

Leather goods, called familiarly fancy leathers—goods meant thereby ladies' bags, jewel boxes, toilet rolls, etc.—are as much articles of luxury as jewelry. If not another piece was made in all the world, there would be no absolute necessity for it; but in spite of the fact of being undeniably a luxury there is a duty only of 35 per cent placed on them.

Now, let us take an article such as is designated as fancy leather goods—a lady's bag. It is composed of the outside cover of leather and inside leather articles, value \$2, and pays 20 per cent duty; silk lining of all four pieces, value \$1, and pays 60 per cent; frame, value \$0.50, and pays 45 per cent; smelling bottle, value \$1.50, pays 60 per cent duty; the mirror, value \$0.25, pays 45 per cent; puff, value \$0.25, pays 40 per cent duty; total cost of materials in the article being

about \$5.50, without labor, which is \$3, making total \$8.50; and the average duty which an American factory pays for these materials is 40 per cent; or, in other words, 55 per cent on a little less than one-third of his materials, 45 per cent on one-sixth of his materials, and 20 per cent on about one-fourth of his materials; and the article comes in complete when imported at 35 per cent duty—and we pay twice as much for labor. This ratio will about apply to the jewel box, as its materials are leather, 20 per cent; velvet, 60 per cent; hinge, 45 per cent; and lock, 45 per cent; and labor is a much larger item. This will also apply to the toilet roll, with hair and cloth brushes, 40 per cent; glassware, 60 per cent; cutlery, 45 per cent; all metal ware, 45 per cent; outside leather, 20 per cent; and the completed article comes in at 35 per cent—the 20 per cent article being about one-fifth the total cost.

The question comes quite naturally, Why not buy the fittings and leather in this country and compete only on the labor? And we answer that the articles, if they can be had in America at all, cost as much or more than the foreign, but the difference on our labor being from 50 to 100 per cent higher here than abroad, their foreign-made article comes into direct and easy competition with our article.

I come before you without the usual statistics, without the usual array of figures, for the reason that the Government, in compiling its lists of importations, does not separate them, but puts everything under one heading, i. e., as manufactures of leather. It is impossible to give you figures of the amount made and sold to this country from abroad. It is, however, a simple and easily understood proposition without the assistance of statistics to help emphasize truths. Nevertheless unquestioned facts, self-evident facts, are before us, and unless the conditions now existing are altered the loss of the fancy leather goods trade in the country will come sooner or later and without a question. When the old tariff went into practice, the fancy leather goods manufacturers in the United States were flourishing and amply protected and few foreign-made goods were imported, for the simple reason that we had American machinery and American methods of working which the foreigner could not or did not try to compete with. We sold in this country leather goods better than they did for less money. Our help came from Offenbach, in Germany; from Vienna, in Austria; and from Walsall and London, in England; and Paris, France. They were hired on their arrival at a minimum salary of, say, \$12 a week, and before they had been with us six months earned from \$16 to \$24 per week; worked quicker and better than ever they did in Europe.

Offenbach, in Germany, was the largest leather-goods supply market in Europe, but then exportations to America of fancy leather goods were very small, but their exportation of workmen was large. American shops held their arms open for foreign workmen and got them. Paris, Vienna, Offenbach, and Walsall for the first ten years of the McKinley tariff were comparatively dead in the leather-goods lines, simply because we could beat them at manufacturing and had their labor. Their help left them and found work without trouble here. How different the conditions are now. Offenbach has become a boom manufacturing city, Walsall in England a boom leather city, Paris and Vienna have been manufacturing leather goods in enor-

mous quantities for the American market, and naturally we get no workmen, no artisans, no high-class finished skilled labor. We must hire the lowest and most ignorant class of labor from Russia and agricultural Europe, unskilled and uneducated, and teach them. In former days the shops held artists. Now they hold ignorance.

The reverse picture is shown by many of those former workmen having gone back to their old homes. One asks, quite naturally, What has brought about the change? The cause has been that the foreigner, pressed by necessity, has copied American machinery, American methods; has hired American-trained foreigners on their return home, and have taken expatriated Americans into their partnerships; then makes his articles conform with American needs; hence has increased their business and their employees stay home where their labor is in demand. Merchants in this country ten years ago bought American leather goods with little or no thought of the foreign-made articles. Now the merchants send their buyers to the markets of Europe and buy freely. The foreign-made article competes without trouble, and the styles and wants of American buyers are invited and catered to and designs and patterns are as quickly altered and furnished to meet the wants of the American trade by factories in Offenbach and Paris almost as quickly as in New York or Philadelphia. The cable and the express steamers make foreign markets a little more than a week from the American factory. Houses in Europe have a regular staff of salesmen who visit here, even calling in the smaller cities, and they solicit and get orders on leather wares which cost from 45 to 60 per cent less to make and tell their customer 35 per cent duty covers all. Ten years ago hardly three American dry-goods establishments sent buyers abroad in those lines or sold or carried any quantity of foreign fancy goods. Now most of them make one and possibly two trips per year abroad, and the foreigner supplies their wants because we have few of the workmen, and we pay them more if we have them, and pay an excess duty on our supplies.

Retailers advertise foreign-made leather goods. Retail stores are flourishing who make a specialty of foreign leather goods, and the American maker finds it difficult to compete. Our labor costs from 30 to 50 per cent as much as theirs and our supplies cost more by 15 to 20 per cent, whether made in Europe or America.

On every side you find an enormous increase in the manufacturing trades, and why not in the leather-goods business? Hardly a firm in business here has increased in proportion to its natural growth and the growth of our population. The individual manufacturers in Europe have become fat and flourishing, and America has supplied the means. First we supply him with the styles and models and then supply him with an easy market. He not only sells the articles to us, but offers them all over the world with success, for they are American in style and appearance.

In conclusion, the whole matter can be summed up: We did get his skilled labor and he kept his goods; now we get his goods and he keeps his skilled labor. The explanation is simple.

EDWARD J. DEITSCH,
Of DEITSCH BROS.,
14 East 17th Street, New York City.

HAT LEATHER SWEATS.

[Paragraph 450.]

ADOLPH WIMPFHEIMER & CO., NEW YORK CITY, WISH PRESENT DUTY RETAINED ON HAT LEATHER SWEATS.NEW YORK, *December 26, 1908.*

HON. S. E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: In making up your schedule for the new tariff, we would respectfully draw your attention to the article of hat leather sweats. These are goods which are cut out of skivers (sheepskins) for hat leathers, and they now pay a duty of 35 per cent. We are large manufacturers of these goods.

While we understand that the committee do not intend to raise the duty, we would respectfully ask you that this rate be maintained, for the reason that if it is lowered the industry here will suffer considerably owing to the enormous difference in the labor of manufacturing these goods in Europe and here.

Our American labor is a great deal higher, at least 60 per cent, than the European labor; also our expenses, such as rent and running the factory; also the ingredients that go into the manufacturing of these goods.

Should the duty be lowered it will be impossible for American manufacturers to compete in any way with the European manufacturers. For this reason we ask that the duty be maintained.

Should your committee require any further information on this subject, we would be only too pleased to give it to you or will appear before you at any time which may be convenient to you.

Very truly, yours,

ADOLPH WIMPFHEIMER & Co.,
Importers and Commission Merchants.

DRUEDING BROTHERS COMPANY, PHILADELPHIA, URGES RETENTION OF PRESENT DUTY ON HAT LEATHER SWEATS.PHILADELPHIA, PA., *December 23, 1908.*

The Hon. S. E. PAYNE,

*Chairman Committee on Revision of Tariff,
Washington, D. C.*

DEAR SIR: We wrote you under date of November 28 regarding chamois leather, skivers, hatters' leather, and other sheep leathers. At that time we did not mention anything about the finished hat leather sweats, which is now on the dutiable list at the rate of 35 per cent ad valorem.

This article is now manufactured largely in the United States, our company being one of the manufacturers. We think it is very important that the present rate of duty (35 per cent) should be retained on this article, so that this industry can be continued here successfully. We fear very much that if duty should be removed or lowered it will seriously cripple our American manufacturers of this article. Our

only reason is the lower cost of labor in European countries. If labor could be obtained as cheaply here as in European countries, we think we would not require any protection. Some of these goods represent as much as 40 per cent of the total value of the goods in cost of labor. It is impossible for American manufacturers to compete successfully with the very cheap European labor. For this reason we would respectfully request your committee to fix rate of duty on hat leather sweats same as before, 35 per cent ad valorem.

Should your committee require any further information on this subject, the writer or another officer of our company will make it convenient to meet you at any time or place that you may name.

Respectfully submitted.

We remain, yours, very truly,

DRUEDING BROTHERS COMPANY,
CHAS. C. DRUEDING, *Treasurer.*

TRAVELING BAGS.

[Paragraph 450.]

HON. R. WAYNE PARKER, M. C., SUBMITS LETTER OF HEADLEY & FARMER CO., NEWARK, N. J., RELATIVE TO DUTIES ON TRAVELING BAGS.

NEWARK, N. J., *December 10, 1908.*

HON. R. WAYNE PARKER, M. C.,

Washington, D. C.

HONORABLE SIR: We have been informed that an effort is being made to put finished traveling bags on a free list, or to reduce the tariff on same.

If this report be correct and same were carried out in the tariff revision now being considered by the tariff commission, it would mean a great detriment to our business.

We are told that the present tariff on finished bags is 35 per cent. This is now 10 per cent lower than the tariff on the raw bag frames.

There are quite a number of bags made every year, especially English kit bags, with which we come in direct competition, and this is a difficult matter to meet on account of the lower price of labor abroad.

While we all agree that it is to the advantage of the manufacturing interest of this country to get our raw material as cheaply as possible, we certainly would not favor the free entry of manufactured articles into this country which are essentially handmade, as bags; it is a different proposition on articles manufactured by machinery.

We therefore write to you, not only for information but to ask that you use your very best efforts in protesting against such a course.

We are in favor of the duty being taken off raw hides, as experience has taught us that this would result in a decided benefit to manufacturers of bags in this country; but so far as duty on handmade bags is concerned, it should not only not be removed, but should be increased to at least 50 per cent, with free hides, and doubled under present conditions.

We should like to hear from you at your early convenience, and remain,

Respectfully, yours,

HEADLEY & FARMER CO.,
ALBERT O. HEADLEY, *President.*

SHEET GELATIN.

[Paragraph 450.]

**THE BRIGHAM SHEET GELATIN COMPANY, NEW YORK CITY,
ASKS AN INCREASE OF DUTY ON ITS PRODUCT.**NEW YORK, N. Y., *December 5, 1908.*

GENTLEMEN OF THE COMMITTEE ON WAYS AND MEANS:

We respectfully ask for an increase of duty on sheet gelatin from the present duty of 35 per cent (par. 450) to 60 per cent in order to equalize the difference in cost between American labor and German labor.

Capital invested in the manufacturing of sheet gelatin, \$50,000; relative cost of labor, 50 per cent; relative cost of raw material, 50 per cent; cost of German sheet gelatin, duty paid, \$24 per 1,000 sheets; cost of manufacturing sheet gelatin in this country, \$25 per 1,000 sheets.

All the raw material used in the manufacturing of sheet gelatin is imported, on which we pay a duty of 25 per cent, hence the more sheet gelatin we can manufacture the larger the revenue to the Government from the raw material we import.

Impossible to use any other raw material but the imported for the making of sheet gelatin, owing to the superior quality of the foreign raw material, due to a secret process.

Very respectfully,

BRIGHAM SHEET GELATIN COMPANY.

GUTTA-PERCHA GOODS.

[Paragraph 450.]

**STATEMENT OF W. B. REED, OF NEW YORK CITY, REPRESENTING
THE BISHOP GUTTA-PERCHA COMPANY.**SATURDAY, *November 28, 1908.*

Mr. REED. We are engaged in the manufacture of gutta-percha goods, and we make all articles that are made of gutta-percha, and have been making those goods in New York City for something like sixty years. These goods may be divided into three general classes—vessels used for acids, insulated wires and cables, and gutta-percha sheets and tissue. For the first there is a small demand. We manufacture only a few vessels, those of special design or required for prompt delivery. Stock vessels that are used in this country are imported. We manufacture gutta-percha pipe, used in the State of Massachusetts, I think, only, for conveying malt liquors. With that article we are able under the present tariff to at times compete with the foreign manufacturer. On competitive bids we are occasionally successful in receiving orders. Sometimes they go abroad. Gutta-percha is considered the best material for insulating submarine cables and for telegraph work. We have, I believe, made all that are used in the United States for rivers and harbors. The price is kept down by the competition with rubber-insulated wire. There never has been made in this country any of the ocean cables. They are all made

and laid by either England or Germany. Gutta-percha sheet or tissue is rolled and calendered from a quarter of an inch or more in thickness to one one-thousandth of an inch, the latter weighing a pound to 24 square yards. Under the existing tariff we are able to meet importers' prices, though still considerable is imported. With tissue—and this seems to be the most extensive branch of the gutta-percha trade with us at present—the greater percentage is labor cost. With tissue running from 4 square yards to 12 square yards per pound we are able to meet foreign competition with the aid of the present duty, but were the duty reduced to even 25 per cent there would be nothing attractive in that business. A very large percentage of these goods of this weight are used by the clothing manufacturer in the bottoms of trousers, and at present prices it requires about a fourth of a cent's worth of tissue for each pair of trousers; so that the duty one way or another makes little or no difference to the consumer.

The manufacturers of hats, shoes, and furs, or certain fur garments, use tissue running from 16 to 24 yards per pound, and there is a considerable amount of material of this weight used in this country. It is made of identically the same material as the heavier grade goods, the only difference in the cost being the cost of labor. We have never been able, or have not for some years been able, to compete with the foreign manufacturers on this weight of tissue.

Bearing all of these things in mind, we simply ask that the present duty remain as it is. We know that if it were increased, especially on this lighter-weight material, we would be able to compete with the foreigner, but we will be satisfied with such trade as we can now take care of and can now get.

**THE BISHOP GUTTA-PERCHA COMPANY, NEW YORK CITY, WISHES
RETENTION OF PRESENT DUTY ON ITS GOODS.**

NEW YORK, *December 1, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: Supplementing remarks made by the writer before your committee on November 28 with reference to tariff on gutta-percha goods under article 450 of the tariff of 1897, we respectfully submit for your consideration the following:

This company and its predecessors have been engaged in the manufacture of all kinds of gutta-percha goods since 1847. These goods, as stated, may be divided into three general classes: First, vessels, etc., which are used in connection with the manufacture or shipping of certain acids and alkalies; second, insulated wires and cables, used for conveying electric currents at low potential under water, especially for telegraph purposes; third, gutta-percha sheet and tissue.

The price of such qualities of crude gutta-percha as is required for the manufacture of the first class of articles has increased so much within the past fifteen or twenty years that articles made of other materials have to quite an extent taken the place of those previ-

ously made of gutta-percha. This has decreased materially the demand for this class of gutta-percha goods, so that there are now manufactured in this country but comparatively few vessels of gutta-percha, and those only that are needed for prompt delivery or else articles of special design.

The percentage of labor to cost of manufacture of product is such that we have been unable to compete with the foreign manufacturers, even with the present tariff on articles of this description that are made in stock sizes and shapes.

Gutta-percha pipe, used for conveying certain acids and alkalies, and to some extent for malt liquors, is imported under the present tariff, and we also make quite a quantity in this country, being able at times with the present protection to meet the competition of importers. Through competitive bids the orders sometimes come to us; at other times they go to the importers.

Heavy gutta-percha belting for conveying power under water is used, but for the past ten years we have seemed unable to meet the prices made by foreign manufacturers.

We are the only manufacturers of gutta-percha insulated wires and cables in this country, and have always, we believe, been able to meet the competition of foreigners for such wires or cables as were required for exclusive use in this country when protected as at present.

Gutta-percha is considered the best insulating material for submarine telegraph cables that are used in the Temperate Zone.

As an evidence that there is no great profit in the manufacture of this character of goods in this country, we would state that all of the larger cables crossing either the Atlantic or Pacific have been manufactured either in England or Germany, and we believe that all of these cables are insulated with gutta-percha.

The removal of the present duty or even its reduction on this class of goods would open the market for foreign manufacturers, and undoubtedly prevent us from continuing this character of work, and we feel that since the United States Government requires, for certain purposes, these goods, it would not be wise to wipe out their manufacture in this country and thus compel the United States, in case of necessity, to go abroad for their requirements, especially since, from our past experience, we find that it is in times of war that the Government is in greatest need of this character of cables.

Gutta-percha sheet is used for many purposes, it being made into sheets largely for convenience in handling, the thickness of the sheet varying from one sixty-fourth to one-half inch or more. It is used by the Government for gun impressions; to a small extent by manufacturers of molded goods, such as fine electric or gas fixtures. With the present duty we are able to compete with the foreign manufacturers, though, we understand, at times more or less gutta-percha in this shape is imported.

Gutta-percha tissue is manufactured varying in weight from 4 square yards per pound to 24 or more square yards per pound. It is made mostly of inferior grades of gum, and at present sells at a very low price compared with the prices of six or eight years ago, the reduction in price having been brought about by severe competition between the manufacturers of this country and the importers, manufacturers on both sides of the Atlantic having doubtless within

that time very much reduced the cost of manufacture by improvements in methods and by the use of cheaper gums.

In the manufacture of all weights of tissue the same ingredients are used, but the percentage of labor cost to the total cost varies with the thickness of the goods. With the present tariff we find ourselves able to compete with importers on tissue weighing 1 pound per 10 or 12 square yards and heavier. This tissue is mostly used by manufacturers of trousers in the hem at the bottom, probably not less than 90 per cent of that used in this country being for this purpose, and at the present prices of these goods the amount of tissue necessary to make a pair of trousers costs the manufacturers of the trousers approximately one-fourth of a cent per pair, so that any diminution of the present tariff would not affect the price of trousers to the consumer, but its reduction to 25 per cent ad valorem, instead of 35 per cent, as at present, would make it questionable whether the manufacture of these goods could be continued in this country with the present price of labor.

There has been very little tissue manufactured in this country weighing 12 square yards per pound or less for some years—not since the reducing in price began some eight or ten years ago. We manufacture occasionally some lot for consumers who do not use enough to warrant importation.

There is, however, considerable quantities of this material used by manufacturers of hats and furs and of certain grades of shoes, and practically all that is used is imported. To make this line of business at all attractive to the American manufacturer, paying, as he does, so much more for labor, and labor being the principal percentage of cost, probably 75 or 80 per cent, it would be necessary to increase the tariff to 50 per cent ad valorem.

Having in mind all of the above facts, and realizing that, with the present duties, there are considerable quantities of certain lines of gutta-percha goods that, with existing prices of labor and other expenses in this country, we are not able to make at a price that can meet foreign competition, yet we will be satisfied if the tariff is left as at present, and endeavor to continue to make, at a small profit, such goods as we have been making for the past six or eight years.

Respectfully, yours,

BISHOP GUTTA-PERCHA COMPANY,
W. BRAIDMAN REED, *Treasurer.*

VULCANIZED OR HARD RUBBER.

[Paragraph 450.]

BRIEF OF AMERICAN HARD RUBBER CO., NEW YORK CITY, RELATIVE TO MANUFACTURES OF HARD RUBBER.

9, 11, AND 13 MERCER STREET,
New York, November 24, 1908.

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.*

DEAR SIR: We respectfully call your attention to the manufacture of vulcanized rubber, commonly known as hard rubber, covered in

Schedule N, under the heading of "Miscellaneous articles," and on which the duty is now 35 per cent, and respectfully petition, for the benefit of the manufacturer and wage-earners in this country that this duty be allowed to remain as it is.

While this rate of duty does not fully protect the goods manufactured in this country against those made in Germany, with their cheap labor and their extraordinarily cheap business expenses, it is only due to the prompt and better service which we render the purchasers of merchandise in this country that we are able to overcome the lower prices of rubber goods imported from Germany.

We find, from a careful revision of our own business, that on the average, the cost of material used in making an article and the labor actually expended on it, are about equal. In Germany labor is approximately 40 to 50 per cent of the American labor, while the crude material (which is admitted free in this country) is the same; consequently, an article costing \$1 for labor and \$1 for material in the United States, costs in Germany 40 to 50 cents for labor and \$1 for material, showing apparently that the duty should be about 40 per cent in order to enable the American manufacturer to continue to pay the present wages.

In addition to the above figures it should be called to mind that the cost of goods manufactured and sold in this country is enhanced to a very large extent through the greater general business expenses in America. It is well known that such expenses, including rents, salesmen's salaries, traveling expenses, all the salaries of employees, insurance, and, in fact, all such business expenses are at least 50 per cent higher here than in Germany.

All these facts and figures are respectfully submitted, and we trust will receive your careful consideration.

Yours, very respectfully,

FITZ G. CHEVIS, *President.*

STATEMENT OF M. DITTENHOEFFER, REPRESENTING THE VULCANIZED RUBBER COMPANY, WHO WISHES PRESENT DUTY MAINTAINED ON HARD-RUBBER GOODS.

SATURDAY, *November 28, 1908.*

The CHAIRMAN. How much time do you want?

MR. DITTENHOEFFER. I think five minutes will do for me. I represent the United Vulcanized Rubber Company. I intended to speak half an hour, but I have sympathy for you.

Mr. Chairman and gentlemen of the committee, I appear before you as the representative of the Vulcanized Rubber Company, a corporation organized under the laws of New Jersey for the manufacture of hard rubber and goods made out of hard rubber, such as combs, syringes, syringe fittings, and telephone work, and so forth. I also represent other manufacturers in this line, and incidentally the wage-earners in this industry. I will take but a few minutes of your valuable time in striving to convince you that the duty of 35 per cent provided for in the tariff act under paragraph 450 should be left as it is. All we ask is that the foreign manufacturer, owing to his cheaper labor and very much cheaper expense account in manufacturing and conducting his business, shall have no undue advantage

over the American manufacturer. My own experience of over fifty years in this business, and that of other manufacturers I have consulted who agree with me, is that the average cost of material used in making an article and the labor actually expended on it are about equal. The foreign manufacturer pays for his labor from 40 to 45 per cent less than we do. The crude material, which is free here, costs the foreign manufacturer the same as it costs us. Assuming that the cost of producing an article is for labor \$1 and for material \$1 here in this country, making the total cost \$2, the foreigner, paying only 40 to 50 cents for labor and \$1 for the same material, produces his article at \$1.45, against our cost of \$2; and the duty, therefore, of 35 per cent, which we now have, would about enable the manufacturer to continue paying present wages to his people. That is the whole thing in a nutshell. The changing of this rate would mean ruin to the American hard-rubber industry unless the American wage-earner should be content to work and be satisfied at European wages, which I very much doubt. You must remember that on the cost of crude material the foreigner has no advantage over us, but he has a decided advantage in the cost of labor and the expense of running his business.

In the long years that I have been connected with this business there never was a time, gentlemen, when we could compete with the foreigner in exporting our goods, for the very reason that their labor was so much cheaper than ours. To further illustrate the great advantage that the foreign manufacturer has over us, let me call your attention to one fact which came under my observation only a few weeks ago. We were selling to fountain-pen manufacturers the rubber tube and the rubber rod, and they took those things into their factory and turned them into fountain pens. One of our customers, who has the largest factory in his line, equipped with every labor-saving device, had to stop buying goods from us, and he went over to Europe and bought a finished article there cheaper than he could get it by producing it himself here. These are the facts of this case, and all I ask of you gentlemen is to protect the American wage-earner by giving us the duty you now have on. I thank you for giving me your attention.

**THE VULCANIZED RUBBER COMPANY, NEW YORK CITY, FILES
SUPPLEMENTAL STATEMENT URGING RETENTION OF PRESENT
DUTY ON VULCANIZED RUBBER GOODS.**

New York City, *December 4, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I had the honor of appearing before you on the evening of November 28, 1908, occupying only five minutes of your valuable time, but accorded the privilege of presenting a brief of the position we occupy in this matter, which I now have the honor to submit.

Representing the Vulcanized Rubber Company, a corporation organized ten years ago, and having a factory at Morrisville, Pa., and having office and wareroom at No. 488 Broadway, New York.

We manufacture exclusively hard rubber and goods made from it, such as combs, syringes, syringe fittings, telephone work, pipe

bits, sheet, rod, and tubing, and other various articles made from hard rubber. I also represent other manufacturers of hard rubber, and incidentally the wage-earners in this industry.

The tariff act of June 24, 1897, section N, under the head of "Miscellaneous manufactures" provided in paragraph 450, levies a duty of 35 per cent ad valorem on hard rubber, which we shall ask be left unchanged, and that you will so recommend it.

All that we ask is that the foreign manufacturer, owing to his cheaper labor and very much cheaper expense in running his business, shall have no undue advantage over us here in the United States.

My own experience of fifty years in manufacturing hard-rubber goods, as well as other manufacturers in this line whom I have consulted, have agreed with me that the average cost of material used in making an article and the labor actually expended on it are equal.

The foreign manufacturer pays for his labor from 40 per cent to 50 per cent less than we do here.

The crude material, which is free here, costs the foreigners the same as it costs us.

Assuming, therefore, that the cost to produce an article in this country is \$1 for material and \$1 for labor, bringing up the whole cost to \$2, the foreigner paying only 40 cents to 50 cents for his labor and \$1 for the material, his total cost is about \$1.45 against our cost of \$2. The duty, therefore, of 35 per cent added on the \$1.45 would about equal our cost of \$2 and enable the American manufacturers to continue paying present wages.

Any lowering of the present rate would mean ruin to the hard-rubber industry of this country, unless the wage-earner would be content to work for and be satisfied with the foreign rate of pay.

While the foreigner has no great advantage over us in the crude material, he has a great and very decided advantage in the cost of labor and the cost of expense in running his business.

In the long years that I have been connected with the business there was never a time when we would compete with the foreigner in selling and exporting our goods to foreign countries.

Owing to their control of cheap labor and cheap expense they have been able to monopolize this trade, and only the present duty prevents them from swamping us here.

The foreign manufacturers have the further advantage over us in so far that any labor-saving device or machine invented by the American mechanic is soon duplicated by them, and they still have the advantage of having this machine run by a cheaper man, and the machine itself if made abroad will cost probably one-half what it will cost here.

I desire to call your attention to the fact that the cost of a plant, building, machinery, etc., in Europe is very much less than the cost to us.

The cost of selling goods abroad is very much less than our cost.

There are about 3,000 to 4,000 employed in this industry in this country, and the capital invested is about from \$7,000,000 to \$8,000,000.

All of which is respectfully submitted.

Yours, truly,

THE VULCANIZED RUBBER CO.,
M. DITTENHOEFER, *President.*

COCOA OR RATTAN MATS.

[Paragraph 452.]

STATEMENT OF FRED. M. CLEAVELAND, OF WAKEFIELD, MASS.,
WHO WISHES PRESENT DUTY RETAINED.FRIDAY, *December 4, 1908.*

The CHAIRMAN. What subject will you speak on?

Mr. CLEAVELAND. Upon mats, made of cocoa fiber and rattan, and mattings.

As manufacturers of cocoa fiber and rattan mats and mattings, we ask you to leave unchanged the present schedule in the tariff of 1897, which reads as follows:

Miscellaneous manufactures, par. 452: Matting made of cocoa fiber or rattan, 6 cents per square yard. Mats made of cocoa fiber or rattan, 4 cents per square foot.

Our reasons for asking this are as follows:

The difference between the labor costs of making these mats and mattings in the United States and in foreign countries is from 40 to 60 per cent in favor of the foreign manufacturers.

Of mats made in the United States the average total cost will be about 16 cents per square foot, of which the cost of labor will be 10 cents per square foot. If made in England, the cost of labor will be not over 6 cents on the average. The duty of 4 cents per square foot is, therefore, the protection needed by us to offset the cheaper foreign labor.

Of mattings made in the United States the average total cost will be about 30 cents per square yard, of which the labor will amount to 7 cents. If made in England, the cost of labor will be not over 3 cents per square yard. The duty of 6 cents per square yard is, therefore, a protection needed by us to off-set the cheaper foreign labor.

We have made the above comparisons with the prices of goods made in England. There are, however, on the Continent of Europe, particularly in Germany and Belgium, many cocoa mats and matting factories employing both free and convict labor, where the cost of labor is materially less than in England, and from which countries mats and mattings are being imported.

That the present tariff is not prohibitive is shown by the following figures taken from the custom-house statistics:

Mats:	Sq. ft.
Importations in 1899.....	13, 053
Importations in 1907.....	310, 817
An increase of 2,500 per cent.	
Mattings:	Sq. yds.
Importations in 1899.....	89, 886
Importations in 1907.....	126, 033
An increase of 40 per cent.	

In the face of this increasing foreign competition, this industry is confronted with a steadily increasing domestic competition from convict institutions, which has very seriously decreased the employment of free labor and reduced prices to a very low level. We feel that we might justly ask for an increase in the duties, but refrain from so doing out of deference to the general sentiment against the higher tariff, but with these conditions confronting us we respectfully ask

that the present duties be not reduced so that our business may not be wiped out.

Mr. CRUMPACKER. Do you import the material used in the manufacture?

Mr. CLEAVELAND. All of the cocoa fiber and the original rattan is imported, too.

Mr. CRUMPACKER. What else do you manufacture?

Mr. CLEAVELAND. Practically nothing.

Mr. CRUMPACKER. So practically all of the material is imported?

Mr. CLEAVELAND. Yes, sir.

Mr. CRUMPACKER. Is there any duty on the raw material?

Mr. CLEAVELAND. There is not.

MUSICAL INSTRUMENTS.

[Paragraph 453.]

STATEMENT OF GEORGE W. POUND, 213 GERMAN INSURANCE BUILDING, BUFFALO, N. Y., WHO WISHES PRESENT DUTY ON MUSICAL INSTRUMENTS MAINTAINED.

MONDAY, *December 7, 1908.*

Mr. POUND. I represent the Rudolph Wurlitzer Company, of Cincinnati, Ohio, the Rudolph Wurlitzer Manufacturing Company, and the De Kleist Musical Instrument Manufacturing Company, of North Tonawanda, N. Y. I also represent the Edison Phonograph Works and the National Phonograph Company, of Orange, N. J.

Mr. Chairman and gentlemen, I wish to say that paragraph 453 of the tariff on imports provides a duty of 45 per cent ad valorem on musical instruments and appurtenances. We are here to urge the retention of the present duty. It is more particularly with reference to the automatic or mechanical musical instruments that we desire to direct your attention. Of course the committee can well imagine that when the previous or the present tariff act was enacted that this industry was not a commercial proposition. It was in its infancy, and very much so. The automatic piano, organ, and kindred instruments have had their development and their perfection, really, only within the past five years. They had their inception in the old-time music box of Switzerland and Bohemia and the pin cylinder or barrel organ of Germany and England. The magnitude of the business has been developed so rapidly that it is surprising. The number of establishments in the United States engaged in the manufacture of musical instruments (excluding phonographs) is 625.

The CHAIRMAN. What duty do they pay now?

Mr. POUND. Forty-five per cent.

The CHAIRMAN. The Board of General Appraisers says that phonographs and graphophones are not admitted as musical instruments with cylinders, and therefore are not dutiable as parts of musical instruments. Has there been any change in that? That was in 1902.

Mr. POUND. They have been paying a duty of 45 per cent. The musical instruments have been held under the general clause of that paragraph.

Mr. BOUTELL. Do you mean to say that the phonograph has been held to be a musical instrument?

Mr. POUND. That is our information; yes, sir.

The CHAIRMAN. But here is a decision directly to the contrary. However, you may proceed, and I will look at this matter again.

Mr. POUND. As I have stated, the number of establishments in the United States making automatic instruments outside of the phonograph industry is 625—and it is to the automatic and mechanical instruments, excepting the phonographs, to which I am particularly directing your attention—and the amount of capital invested in this industry is \$72,225,379. The cost of materials used this year was \$29,116,566. The value of the product was \$69,574,340. All this is exclusive of the phonograph industry. If we were to include the phonograph the actual amount of capital invested in the United States, according to the last available reports, 1905, was almost \$83,000,000; and with the tremendous growth of business at the present time all these figures that I have given would be very much increased.

The CHAIRMAN. What do you suggest as to the duty?

Mr. POUND. We ask that the duty be kept where it is. This industry is without any combination; it is entirely independent in its actions and in the production and sale of its products. Our machinery and methods of manufacture are easily and readily copied, but we can not reproduce here the foreigner's scale of wages or the mode of life of his employees.

We have a peculiar condition in this industry, if the committee pleases. The ordinary mechanic we can not take and use. It requires a special labor, an experienced labor, a skilled labor. We have to take these men and educate them up in a peculiar line of work. It is a special and particular industry; and it is an industry that did not exist in the United States to any extent up to within the last few years. It has been an absolutely new industry. The Black Forest of Germany has for a great many years been actively engaged in the manufacture and export of automatic musical instruments to the United States. The United States was formerly a very large field.

The CHAIRMAN. Are there any imports of these things?

Mr. POUND. Yes, sir.

The CHAIRMAN. To what extent?

Mr. POUND. We imported last year to the value of one million and a half, and there is no question that if the financial condition which existed in this country had not taken place the imports during the past year would have been tremendous, because they have commenced an active campaign of advertising in the trade journals of this country. They have established representatives in New York City, and have started a campaign of active competition with the American trade.

Mr. BOUTELL. You are speaking now of automatic instruments?

Mr. POUND. Yes, sir.

Mr. BOUTELL. What has been the importations of other musical instruments?

Mr. POUND. I can not quite tell you. The statistics are very incomplete. The Department of Commerce and Labor and the Bureau

of Statistics frankly say that they have not, owing to this being a new industry and not in contemplation practically at the time of the passage of this act—that they did not keep the statistics as they would in the future.

Mr. CRUMPACKER. The total importations of musical instruments and all things dutiable under this tariff act last year amounted to \$1,458,000. Did that include all parts?

Mr. POUND. Yes.

The CHAIRMAN. Is that 1907?

Mr. POUND. Yes, sir; 1907. The importations of automatic and musical instruments have increased and will very largely increase all the time.

Mr. CRUMPACKER. And we exported of musical instruments to the amount of three millions and a quarter.

Mr. POUND. But those are not mechanical. For instance, the very high class of upright pianos have been getting into some of the foreign markets, and, of course, there has been some South American trade.

Mr. CRUMPACKER. Have you imported quite a quantity of low-priced organs?

Mr. POUND. Not of the automatic nature at all. I can not speak of the commercial organ itself. That is a business which has suffered much from even the domestic competitor.

Mr. BOUTELL. Isn't it true that a very large number of orchestral instruments are almost exclusively of foreign make?

Mr. POUND. Orchestrions, as such, and on all instruments of brass, of which brass is a large element—for instance, like the skating-rink organ. We have been entirely driven out of the market upon that by foreign production. They can produce an instrument in the Black Forest of Germany, or through the Bohemian districts, for less than the labor cost in this country. As an illustration, at the time of the passage of the Wilson bill putting the duty down to 25 per cent the North Tonawanda Company, one of the best equipped in the country for that particular class of work, lost \$12,000 that year in spite of every effort made to hold it up, and from that time we never have recovered business along those lines. We formerly made trumpets and bugles for the United States Army and cavalry, but upon those things we have been driven out of the market. We can buy those in the Black Forest, and in Bohemia, pay the manufacturer there for them, pay the consul invoice fee of 10 marks, pay the commission, the freight, pay 45 per cent duty in New York Harbor, and the freight by rail and save 20 per cent—in all cases 10 per cent, but usually 15 or 20 per cent—on actual cost of production in our factories.

The CHAIRMAN. Are these things protected by patents?

Mr. POUND. There are some patents, but they are not basic, and they do not interfere with competition.

The CHAIRMAN. How about these rolls of music?

Mr. POUND. They are made up in that way, and they are all—

The CHAIRMAN. They are not patented, are they?

Mr. POUND. Do you mean the perforated paper roll?

The CHAIRMAN. Any roll of music; any roll.

Mr. POUND. There is no patent at all upon the perforated paper roll used in the automatic instrument. The patents on the phonographs have expired, so far as they amount to anything, although there are patents on some particular minor details which do not in-

terfere; and the patents on all other automatic instruments do not interfere.

The CHAIRMAN. I am referring to those rolls used on the pianola, such as that?

Mr. POUND. Yes; there is no patent on that at all. They are made broadcast in this country.

The CHAIRMAN. How about the rolls of the phonographs; are they not patented?

Mr. POUND. Not any basic principle at all. The different companies may have some little composition which they will keep secret.

The CHAIRMAN. Is there not an Edison patent on the phonographs in some of the latest improvements that practically controls the business?

Mr. POUND. No, sir; the patents have expired, the patents that amount to anything, on phonographs.

The CHAIRMAN. All of them?

Mr. POUND. All that interfere with competition.

Mr. RANDELL. As to the latest improved machine that has just been made, how long does the patent on that run?

Mr. POUND. The latest improved machine is nothing at all but an arrangement which permits of a four-minute record instead of a two-minute record, as formerly. In other words, the last effort of the genius of Edison has been to double the length of the cylinder from two minutes to four minutes. But these records are made all over Europe and all over America.

Mr. RANDELL. Nobody would want anything but the best of a machine of that sort. Is not the latest machine protected by a patent, one that really protects the machine?

Mr. POUND. No, sir. The Victor companies are very powerful and strong competitors, and they make far more expensive records than the Edison Company does. Then, again, there is the Columbia Company which makes a 25-cent record, and, if I remember right, there is a universal price of 25 cents upon the record that they make. It is a large concern.

Mr. RANDELL. What is the use of obtaining a patent if it does not amount to anything?

Mr. POUND. I do not know that there is any patent on this last proposition.

Mr. RANDELL. I thought there was a patent also on the composition that the records were made of, the composition to make it harder, so it would receive more talk and last longer, or being double the length would receive more, and that it was harder so that it would reproduce the sound much longer.

Mr. POUND. All those things are mere matters of mechanical perfection. There is nothing basic in the patents on any of them, and no patent, in fact, on the automatic or mechanical music industry to-day prevents the fullest competition, because there are no primary basic patents.

The CHAIRMAN. And they pay a duty of 45 per cent as a manufactured article. They do not come in as musical instruments.

Mr. BOUTELL. It is a very delicate distinction.

Mr. POUND. My particular education along that line has been on other classes of instruments rather than the phonograph. We pay 45 per cent duty, I know, because we have to pay it. Of course, I

hope the committee will bear in mind, as I said before, that this whole industry was not in existence as a commercial proposition when this import act was passed and was not in contemplation by the committee. For instance, the cylinders used on the phonograph are held by the appraisers under a duty of 25 per cent.

The CHAIRMAN. But the total importations of all manufactures of iron and steel, when not otherwise specially provided for and under which these instruments come in, were \$1,100,000 in 1907.

Mr. POUND. In the better class of phonographs, while our foreign competitors have driven the American goods out of the European market, they have not as yet obtained a strong foothold in America. On the cheaper class of phonographs, those which are given as prizes and in that way, they have got in; but they are not yet coming in very heavily upon the better class of phonographs.

Now, the proposition here is purely one of labor, there is nothing else to it but the question of labor. The foreign manufacturer, in particular through the Black Forest and in Bohemia, in many cases, has no factory at all excepting the mere assembling room, or at most, usually only a small factory. He gives his work out at piecemeal, and much of it is done in the homes. The wife and the whole family help him. And it is done at a minimum of cost.

Mr. BOUTELL. How is it with the finer wood orchestral instruments, such as the flute, the clarinet, and the wooden string instruments—violins? Is it a mere question of labor? Can we make just as good wooden flutes here as they can in Germany?

Mr. POUND. I can only speak of that from casual information. I am told that we can do that here. It is only because of the large amount of labor that is put on that kind of work abroad that it can not all be done here.

Mr. DALZELL. They make violins here?

Mr. POUND. Yes, sir; in fact, one of my own clients has established here, and is endeavoring to build up, a harp factory. It is a new enterprise. They are starting to make violins, making purely the better class and not attempting the cheap instruments.

Mr. BOUTELL. In my city—Chicago—Lyon & Healy are large manufacturers of all kinds of instruments, but I had an idea that there were high-grade orchestral instruments that we had not acquired the knack of making to such a degree of perfection as they had in Germany.

Mr. POUND. If, sir, I might be permitted, I would like to direct your attention to what probably is the perfection of the automatic or mechanical musical instrument, the electrically operated piano, capable of being played by hand as the normal piano is played and capable of being operated electrically by means of the perforated paper roll as well, so that it combines both the manual and the power-operated instrument. There is no question at all but that it is the best instrument made in the world, and it is made in America. Nothing but the question of cheap foreign labor stands in the way of our holding and controlling the American market. We are not able to export along that line of work at all; we can not meet the competition—it is out of the question. And the South American and the Mexican markets have been entirely taken away from us.

Now, I can give some figures on this matter which I believe will corroborate my statement. The power in the Black Forest, given

usually in such amount as is necessary, is furnished by the municipality at mere nominal cost. The raw materials are right there at hand on the very best terms. These communities are very often very wealthy, deriving a large income from the forests. The taxes are usually nothing, or very low; occasionally even an actual dividend. Labor is abundant and very cheap. I find that the unemployed labor of Germany, in our lines of work, reaches the high percentage of 8.9 per cent. In Waldkisch, for instance, the rate of wages in our industry is 62 cents per day for ordinary labor. It is so abundant and cheap that two large musical instrument concerns from Paris, France, are now building there for the purpose of supplying their home market, and this although they must pay the French duty of 10 to 15 per cent; and right there it is interesting for us to observe that the parliamentary commission of France—the tariff commission, which has been sitting for the last three years—have recommended in their report, which the papers inform us has just been filed, an advance all along the line of 20 per cent duty.

Now, at Forchtenberg a large number of instruments are made. Here the same prices of labor prevail. It is in the heart of the lumber district, and water power can be had for almost nothing. At Villingen, a center of this industry, they have the same wages. Wooden pipes for organs and small parts are made in the home of the laborer, the whole family helping, and the estimated earnings of children here is as low as 3 cents a day. I can imagine what would happen to us if we went out into the thriving, prosperous communities, as is the case in a number of instances, where large villages have been built up surrounding the factories, and should offer 3 cents per day for that character of help. This municipality has recently made overtures to our people to locate there. We have been offered the use of public land and electric power for almost nothing. These same conditions obtain through all the Black Forest and Baden districts. In Freiburg a large number of automatic instruments are specially made for export to this country, and they maintain a representative in New York City for that purpose. They make one of the best foreign instruments imported into this market.

Frankfort is regarded as more favorable for the wage-earner, and yet a large number of instruments are exported, one house alone in the United States taking annually from there instruments to the amount of 60,000 marks. These same conditions prevail all through Bohemia. In Saxony and northwest Bohemia brass parts are now produced so cheap that, although we have the very best approved machinery for their manufacture, we can purchase theirs, pay ocean and railroad freight and other charges, together with our duty of 45 per cent, and save from 10 to 20 per cent. We have been entirely driven out of that line of business. As I said, Saxony and northwest Bohemia are gradually working into all lines and departments of this class of work. Our scale of wages for corresponding work in the United States—bearing in mind as against 3 cents a day for the children, and up to 60 cents a day for ordinary labor, and \$1 for the highest skilled labor, and \$1 a day for the foremen—our price for common labor is \$1.75 per day, and for the ordinary or a little more experienced labor \$2.25 per day, when we start the man, up to \$3 per day. For skilled labor we pay from \$4.50 to \$8 per day, and our foremen get anywhere from fifteen hundred to twenty-five hundred

dollars a year and up to \$4,000 a year. In other words, our foreign competitor, with much less initial investment and with very much less "overhead" charges, is able to substantially get ten days' labor for less than we get one.

The 45 per cent duty under the McKinley bill was reduced to 25 per cent in the Wilson bill and conditions then became ruinous, as I stated before, in our business. Our factory lost money and some lines that we never recovered, and are not recovering now. The manufacture of brass parts has never recovered, and the market to-day is in the hands of our foreign competitors. The Dingley bill restored the duty to 45 per cent. The imports last year amounted to \$1,500,000. These instruments are sold very largely to cafés, hotels, cigar stores, skating rinks, and other places of public resort. It is therefore believed that only the financial depression of the past year saved us from an avalanche of imported instruments. We have been just about able, with the universal depression and by continual adaptability to local conditions and the highest skill of production, to manufacture and just about hold our own. There is not any doubt at all if there is any lowering of duty that it would absolutely drive us out of business. The question of the unemployed in Europe, particularly in England and Germany, is becoming serious, because our industry is one in which the foreign laborer, more particularly the German, has been trained and skilled in for centuries. The musical trade is something concerned with his whole environment, while with us we have to absolutely train every man. It takes time with us. We had to create a working force out of nothing. They get their apprentices for three years for nothing. We start them, paying the boy, the very cheapest boy we have, \$5.50 a week—the boy who picks up shavings—and we pay the ordinary boy \$8 per week, and very quickly they expect \$1.75 to \$2 per day.

This pauper labor of Europe, I maintain, is a constant and increasing menace to the American workingmen. Only last week Herr Richard Calwer, one of the best authorities in Germany on social questions, in an article on the lack of employment in the Empire, said:

Hardly a day passes in which it is not reported from some part of the country that working hours have been reduced or workmen dismissed. Conferences are holding all over the country to discuss what had best be done in the face of the hard times, both present and to come. Municipalities have been petitioned to take steps to alleviate the misery. The coming winter is looked forward to with the deepest anxiety. One-third of the total wage-earning class—4,633,000 persons—are unemployed.

That has reference to Germany only. You know what scenes are being enacted in the capital of England every day, and similarly all over Europe. These are actual trade conditions which we have to confront.

MR. RANDELL. Does it not seem that the workingman is getting the worst of it everywhere? He produces an immense amount, while he has to about starve to death everywhere in the world.

MR. POUND. Not with us.

MR. RANDELL. One man came here representing labor who stated that he had 6,000 men looking for work half of the time, and that he wanted a tariff increase in order to get three weeks' more work in a year.

Mr. POUND. Well, my answer to that is that we employ in one of our factories alone 4,500 men, and ranging down to 150 men, which I believe is the lowest, and those men are able—that is, the majority of them are—to earn in excess of \$3.25 a day. Our average scale is \$3 to \$3.25 a day, including the girls and boys—

Mr. RANDELL. Do they get regular work?

Mr. POUND. All the time. We have, as I say, been absolutely driven out of the market on these cheaper grades of instruments, on the orchestrions and on the brass instruments, and those parts of instruments in which brass enters; and also on some certain cheaper grades of what used to be known as “merry-go-round” organs, in which we did at one time a tremendous business. Along all of those lines we have been substantially driven out of the market. We are just about holding our own in the better class of instruments; in other words, where American skill, American ingenuity, and where adaptability to local conditions occur, and where there is a perfect factory organization, we have held our own, but not otherwise. Never have we been able to do so where the question of labor alone enters into competition.

Mr. CRUMPACKER. Who are driving you out of the market, the foreign manufacturers?

Mr. POUND. Yes, sir.

Mr. CRUMPACKER. I notice that the total production of instruments during the last year amounted to \$66,092,000, while of all kinds of instruments and parts there came to this country only a million and a half dollars worth, all told.

Mr. POUND. That was in 1907.

Mr. CRUMPACKER. Yes; and in 1906 it was less.

Mr. POUND. In 1906 it was practically the same; a small difference.

Mr. CRUMPACKER. Somewhat less.

Mr. POUND. But you will bear in mind, as I say, that certain parts of these instruments we, even now, can not make. The instruments which have been imported so far have been the cheaper instruments. They are starting now a campaign of advertising in the trade journals to get our trade, and they have already gotten our South American and Mexican trade, as I said before, and which we had at one time. But on this better class of instruments we have been able to keep them back.

Mr. CRUMPACKER. We do not import 2½ per cent of the instruments used in this country.

Mr. POUND. Because you will bear in mind our figures there include everything—upright and grand pianos, for instance, to which subject I am not addressing myself. The statistics available from the Bureau of Statistics and the Department of Commerce and Labor are very deficient. At the time of the passage of this act, as I said before, this business was so small that it was not in contemplation, and they have not segregated their figures at all.

Mr. CRUMPACKER. If your argument is of any force, it would mean that there ought to be an increase of duty.

Mr. POUND. There ought to be, really, yes, sir; there is no doubt about it at all.

Now, upon this question of the American wage-earner, as to whether he is profiting by this tariff, I want to say that he surely is in our line of work. It may be that he is especially fortunate with

us, because we must have and do have the very highest skill and the best product. Last year the average cost of food per family in the United States was \$347.75. This one item is far more than the average yearly wage paid in Europe in our industry. The wages per hour in the principal manufacturing and mechanical industries of the United States during 1907 averaged 3.7 per cent higher than in 1906, and that in the year of the depression, too. Perhaps a fairer idea of where our wage-earners stood in 1907 is given by a comparison between the figures for that year and the averages for the ten years from 1890 to 1899, inclusive. In each case the average wages per hour in 1907 were 28.8 per cent higher, the number of employees 44.4 per cent greater, and the average hours of labor were 5 per cent lower. The price of food in 1907 was 20 per cent higher than the average for the ten-year period.

The CHAIRMAN. Well, now, you say that labor was so much higher. Do you mean for a day's work; and that the hours worked were lower?

Mr. POUND. Yes; that the American laborer, I mean, worked less hours and got 28.8 per cent more money for those less hours of work than he got the previous year.

The CHAIRMAN. Then he got 28.8 per cent more for a day's work?

Mr. POUND. Yes, sir.

The CHAIRMAN. And that day's work was so much per cent less hours than your competitor. It does not appear clear in your statement that that was a day's work.

Mr. RANDELL. What about his productiveness in that day's work as compared with the foreigner's productiveness?

Mr. POUND. That can hardly be estimated.

Mr. RANDELL. But that is really the gist of the whole thing.

Mr. POUND. No, sir; it is not, if you will pardon me. I believe that is one of the fallacies of that argument.

Mr. RANDELL. The amount you paid and the amount you get for that pay is certainly the question.

Mr. POUND. Not wholly; no.

The CHAIRMAN. Have you any comparison of the relative efficiency of the American and the foreign labor?

Mr. POUND. I will say this: Formerly there was no question that the relative efficiency as to some departments, but not as a universal rule, was in favor of the American workingman, but there is not a week passes—and this many large manufacturers will tell you—but what some foreigner is studying our methods, our machines, and copying our methods of production; and that difference in the efficiency of output does not exist to-day as it existed ten years ago.

Mr. RANDELL. Is there a slight percentage in favor of the American workingman?

Mr. POUND. I do not believe so in our industry. I think in our industry it is probably against us.

Mr. RANDELL. I know the views of the various union labor people have been that they would accomplish more in eight hours than in ten because of their greater efficiency during the eight hours. What do you say as to that?

Mr. POUND. In the words of my late lamented townsman, Grover Cleveland, that is "a condition and not a theory." It is very beautiful for the union labor men to tell us that if we will give them wages for ten hours and let them work six and run our factory for us that

he is going to be a fresher man and do more work. Up to a certain point, to a certain number of hours, a man can only properly produce. But I believe it is true, as your experience as well as mine, professionally speaking, will show, that there is not a professional man in the country but who works more hours a day than the average wage-earner, in whatever capacity employed.

Mr. RANDELL. But I did not care to go into that question. I was only inquiring as to the relative efficiency of the men. How much of this work is done by machinery?

Mr. POUND. Not a great deal.

Mr. RANDELL. Most of it is hand work?

Mr. POUND. Most of it is hand work. Now, on that question of efficiency, just what it applies peculiarly with us is—

Mr. RANDELL. I understand that you have no statistics showing the production per hour of individuals here and abroad?

Mr. POUND. No, sir. Such a thing could not be computed, because there are no two instruments identically alike.

Mr. RANDELL. What is your opinion of the production per hour of the men engaged in this business?

Mr. POUND. We have studied this question for our own interests very thoroughly, but—

Mr. RANDELL. Have you studied it abroad?

Mr. POUND. No, sir.

Mr. RANDELL. Have you anyone who has studied it abroad?

Mr. POUND. Yes; we have.

Mr. RANDELL. Can you have him come here?

Mr. POUND. Yes, sir.

Mr. RANDELL. At some future date?

Mr. POUND. Mr. Howard Wurlitzer, of Cincinnati, a member of one of the largest concerns in the country, has just returned from Europe, and he, I am sure, could give you all the information you require.

Mr. RANDELL. We want somebody who has studied this subject abroad. We would like to have him come here, say, Saturday of this week and bring those figures and statistics.

Mr. BOUTELL. I wish he would bring particularly the actual figures with reference to the decay of the brass-instrument manufacture in this country. What you said along that line seems to me to be significant.

Mr. POUND. I can speak of that from absolute personal experience.

The CHAIRMAN. If there are two or three gentlemen, we can hear them all.

Mr. POUND. I will bring the Hon. Eugene De Kleist, of North Tonawanda.

The CHAIRMAN. What we want is advice at first hand.

Mr. POUND. He is a manufacturer in Germany, in England, and in America, and Mr. Howard Wurlitzer is one of the foremost business men of the west, and fairly conversant with this subject.

The CHAIRMAN. We would like to have a man who has had the experience you speak of.

Mr. POUND. I have myself made a close study of this tariff question, and of all other tariff questions, for a great many years, although I have not been abroad; ordinary lawyers can not afford those luxuries.

Mr. BOUTELL. The detailed information which the Government reports contain do not show the amount of importations of different kinds of musical instruments. That matter that I spoke of, of brass instruments, and which you referred to, is extremely significant and interesting. Our reports do not show anything about that.

Mr. POUND. I tried to get that information at the Department of Commerce and Labor and the bureau of statistics, and at both places I was informed that those matters were not separated.

The CHAIRMAN. Our reports throw them all together, musical instruments and everything else pertaining thereto. I do not mean musical instruments proper, but phonographic instruments, and the instruments that you are interested in, are all in one bracket, and the imports were only \$1,100,000 in 1907. You say a million and a half. There is a wide discrepancy there, and we would like to have the detailed information which you have in regard to the imports of these particular instruments.

Mr. POUND. Of course, the committee must bear one thing in mind, that this whole industry is, in its large present development, a matter of the past five years, really, and wholly the work of the past ten years.

The CHAIRMAN. The reason I asked you about the past was that I visited the Edison works four years ago, and he was very much interested in developing the phonograph. I supposed he was getting patents on the later improvements that he was making—he has made some since—but according to your statement the patents do not protect.

Mr. POUND. They do not. On any automatic or hand mechanical instrument that I know of there are not any primary or basic patents which in the slightest way prevent competition.

The CHAIRMAN. How about the automatic piano player?

Mr. POUND. No; and with the phonograph or talking machines it is the same way. The keenest competition exists in this country between the Edison, the Victor, and the Columbia phonograph and graphophone companies.

Now, continuing my suggestion as to the American wage-earner, the purchasing power of an hour's wage in 1907, as measured in the purchase of food, was 6.8 per cent above the average for the decade which I mentioned. I have given these figures because I have found sometimes that it was the favorite theory of those who advocated the lowering of duties to say that the price of food and help had gone up and that the wages had not followed, relatively speaking. Statistics will not sustain that contention.

In conclusion, gentlemen, our position is this: That we, in common with others similarly occupied, have created a new industry in this country, one that did not in anywise detract or take from any existing enterprise; we have built large factories, given employment to whole communities of wage-earners, and we have made it so that it is now capable of an output of over \$69,000,000. We are paying out \$20,000,000 a year in wages; we are buying \$29,000,000 worth of raw material; we have built up great communities surrounding our factories—depending upon the factories—men that we have taken from boyhood and educated along these lines, and who are absolutely and wholly, so far as skilled trade is concerned, dependent upon us, and we are dependent upon them in this matter. We can not compete

with this foreign labor upon these instruments where the question of labor is the large item it is with us.

Mr. RANDELL. What increase do you want in the amount of duty?

Mr. POUND. I did not come, sir, to ask an increase. Our people figured that they should have an increase of at least 5 per cent, but I did not—

Mr. RANDELL. Your purpose really is to hold the business as it is?

Mr. POUND. Yes, sir. I will not say that we would be content, but we feel that on the better class of instruments we can hold our own.

Mr. RANDELL. What effect would the lower tariff have upon the revenue, in your opinion? You have 45 per cent protection?

Mr. POUND. Yes, sir.

Mr. RANDELL. And you claim that is not enough?

Mr. POUND. It is really not enough.

Mr. RANDELL. Suppose it was lowered 10 per cent.

Mr. POUND. It would drive us out of business. We would go to Germany and manufacture.

Mr. RANDELL. You could not live in this country and have a duty of 35 per cent ad valorem?

Mr. POUND. No, sir.

Mr. RANDELL. Considering the cost of transportation and the efficiency of American labor and all that sort of thing?

Mr. POUND. No, sir; we could not.

Mr. RANDELL. What effect would it have on the revenues if the tariff was lowered to 35 per cent in place of the 45 per cent?

Mr. POUND. I can not answer that question.

Mr. RANDELL. It would increase them largely, would it not?

Mr. POUND. I can not answer, because these figures are not separated, and it would be merely an estimate.

Mr. RANDELL. Would it increase it some, or would 35 per cent block out the foreign competition?

Mr. POUND. Thirty-five per cent would not block out the foreign competition in our trade.

Mr. RANDELL. But very largely increase the revenue?

Mr. POUND. If the instruments were still bought it certainly would, I should think.

Mr. RANDELL. A change in the tariff would not keep the people from buying the instruments—a lowering of the tariff?

Mr. POUND. Why, no; I do not imagine it would.

Mr. RANDELL. You really do not think that a reduction of tariff down to 35 per cent would increase the revenues?

Mr. POUND. I think perhaps it would not make any great difference in the result.

Mr. RANDELL. And you think the revenue would remain about the same?

Mr. POUND. I should think so, because a certain number of parts, like the brass parts, we import and put in our instruments now; we have to do it, paying 45 per cent duty.

Mr. RANDELL. If with 35 per cent the revenue would not be increased, then your competition would not be increased and you would still have a monopoly in this market, as much so as now?

Mr. POUND. We would have?

Mr. RANDELL. Yes; if the revenue was not increased there would be no increase in the importations.

Mr. POUND. Well, it would take more importations to make up the difference.

Mr. RANDELL. The difference of 10 per cent?

Mr. POUND. Let me answer that question in this way, and see if I meet it, and this point is material: It is not necessary in order to affect a market that the importations should be a large percentage of the product used in this country. A very small percentage thrown in here will so disturb the market conditions that it would have a very bad effect.

Mr. RANDELL. It hurts your feelings?

Mr. POUND. It does not hurt our feelings, but our business.

Mr. RANDELL. If the instruments did not come in, then you would have no more competition than now, but if the instruments did come in it would increase the revenue?

Mr. POUND. There is very strong domestic competition now—625 factories in the country.

Mr. RANDELL. If the foreigner did not bring in any more instruments, that would not make the manufacturers go to Germany, would it?

Mr. POUND. If no more came in?

Mr. RANDELL. Yes.

Mr. POUND. No, sir; of course not.

Mr. RANDELL. The truth is that foreign competition is what holds the prices down?

Mr. POUND. Well, our competition is very strong.

Mr. RANDELL. The competition that holds you down is not from abroad but from home?

Mr. POUND. On the better class of instruments we can just about hold them out now.

Mr. RANDELL. Then you have a monopoly on the better class of instruments, just about, now, and if the tariff was lowered, you would cease to have a monopoly on that and only have a monopoly on the lower class?

Mr. POUND. No, sir; that is not right. We do not have a monopoly now. Within the past year one of the best of foreign instruments, that known as the Mignon, has made arrangements to strongly enter the American market. They are now, as I personally know, seeking American contracts here for their output.

Mr. RANDELL. Your worst trouble is with the higher-class instruments, is it not?

Mr. POUND. The trouble we now fear is of the higher-class instruments. In the lower-class instruments we can not compete.

Mr. RANDELL. You say that you have just about gotten the high-class instruments out now. Do you not call that a monopoly, when you have them "out?"

Mr. POUND. I did not mean we had them out, but we are just about able to hold our own.

Mr. RANDELL. To hold them out?

Mr. POUND. Well, I did not mean that. We are able to hold our own on the higher class of instruments, but on the lower class of instruments, where the cheaper form of labor is employed, we are not able to hold our own.

Mr. RANDELL. In the statement which you furnish will you please give the cost of all the materials that are used here and in foreign countries, as well as the cost of labor, and also show wherein it costs you 45 per cent more than it does the foreigner to manufacture instruments?

Mr. POUND. I think, honestly, it costs us at least 60 per cent more to manufacture our instruments than the foreigner, if not more than that.

Mr. RANDELL. Put those facts in your statement, please.

Mr. CRUMPACKER. Has your material increased in cost in the last eight or ten years?

Mr. POUND. Yes, sir.

Mr. CRUMPACKER. How much has it increased?

Mr. POUND. For instance, our lumber has in many cases increased 200 per cent.

Mr. CRUMPACKER. What else do you use; brass?

Mr. POUND. We use brass and rubber.

Mr. CRUMPACKER. Iron?

Mr. POUND. Some iron, some steel, some forgings; and we use a great deal of leather of a very fine kind.

Mr. CRUMPACKER. Taking these materials generally, has there been a material increase in cost?

Mr. POUND. Yes, sir.

Mr. CRUMPACKER. A gradual increase?

Mr. POUND. Yes, sir; all the time.

Mr. CRUMPACKER. Are those materials more expensive now than they were three years ago?

Mr. POUND. Yes, sir.

Mr. CRUMPACKER. Do you know about the percentage of increase in the cost of materials that you use?

Mr. POUND. I can not give you the actual figures only as I have heard it discussed at business meetings.

I would say, if the committee pleases, that I think this is a point sometimes overlooked. It is not alone that the large percentage shall be with us—for instance, that the importations into the country shall constitute the large percentage of the goods produced in this country. Any percentage coming in which, in itself, is large enough to create a volume of trade has an absolute disturbing effect upon the markets. And another element of danger is this: That where there is overproduction in any particular locality, where there is depression in labor in any business, then the surplus stock is always thrown in on the market somewhere, and it is those things that disturb business conditions and have a greater effect than they would seem to have from the mere perusal of the statistics on imports.

Mr. CRUMPACKER. There are two piano factories in the district that I represent. The superintendent of one of them told me about two weeks before the last election that the business at his factory in the spring and summer of 1908 was the best they had ever had in all their experience. They had to operate the factories day and night to meet their orders.

Mr. POUND. What do they manufacture?

Mr. CRUMPACKER. Pianos; the Hobart M. Cable Company, of Laporte, Ind.

Mr. POUND. Yes; they manufacture regular pianos. I am not cognizant of the straight commercial manually operated pianos. It is a different business.

Mr. CRUMPACKER. He told me that all lines of production made to sell to farmers were prosperous during the panic, and referred particularly to his own.

Mr. POUND. I have heard the same argument made by the automobile people.

The CHAIRMAN. This has been a prosperous business, has it not?

Mr. POUND. Not excessively so; no. The profits have not been large in the business. The fact is that the business has required constant development, new machinery being continually devised to meet this competition.

The CHAIRMAN. Have the profits been turned into construction?

Mr. POUND. Entirely so.

The CHAIRMAN. And the profits have been large that have been turned into construction, have they not?

Mr. POUND. No; not excessively so.

The CHAIRMAN. Not too large. I never saw a manufacturer yet, or anybody else, who was willing to admit that his profits were too large.

Mr. POUND. Many of these companies that I have spoken of here have not yet paid a dividend.

The CHAIRMAN. I wish you would furnish us a brief showing the amount of original capital and the amount of improvements added to the business from year to year, and file such a brief later.

Mr. BOUTELL. It occurs to me that a good many of these questions, as you will see when you come to read this over, will be found to have been at cross purposes. I understood that Mr. Crumpacker was speaking exclusively of pianos without any automatic attachment. These questions have crept in right along as though you were talking about that branch of the business. I understand that you represent the automatic and mechanical instruments?

Mr. POUND. Yes. I do not profess to be able to talk intelligently upon what is known as the manually operated or commercial piano.

Mr. BOUTELL. It is the automatic musical instruments that my questions have been directed to. Are we going to have a brief covering such musical instruments as flutes, oboes, trombones, and instruments of that nature?

Mr. POUND. I have no connection with any house which manufactures them.

Mr. BOUTELL. What are the brass goods that you spoke of as having been put out of business?

Mr. POUND. You have seen the large band organs, as some are termed—large organs 20 feet long perhaps and 10 feet high, where, facing you, you will see a large number of brass horns and brass parts, bell shaped.

Mr. BOUTELL. You mean the orchestral instruments?

Mr. POUND. Yes. In all of those things our concerns have been absolutely driven out of the market. We do not make one.

**C. W. PARKER, ABILENE, KANS., WISHES THE DUTY ON HAND
ORGANS REDUCED TO TWENTY-FIVE PER CENT.**

ABILENE, KANS., *December 29, 1908.*

SECRETARY WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: I desire to call the attention of your honorable body to the 45 per cent duty on hand organs, and would recommend a reduction to 25 per cent at least.

I have, at this point, the largest factory in the world devoted to the exclusive manufacture of amusement devices, including an organ department. It seems impossible to secure competent labor to construct organs, and, upon investigation, I find the Italians, Germans, and a few French, who seem to be the real organ builders, hand the art of building hand organs down from generation to generation. There are in New York City and vicinity concerns who build organs, but I do not think a reduction of tariff on organs would interfere with them in the slightest degree. In fact, if the duty was less, I am satisfied there would be a great many more organs used in this country, and, in fact, so many more would be imported more revenue would be received than now.

I shall take pleasure in answering any questions you may deem necessary, and trust this matter will have your favorable consideration. Thanking you for the time consumed by this letter, I beg to remain,

Very respectfully, yours,

C. W. PARKER,
Manufacturer of Amusement Devices.

WORKS OF ART.

[Paragraphs 454, 701, 702, and 703.]

**PROVISIONS OF ACT OF 1897, WHICH PROVIDE FOR IMPORTATION
OF PAINTINGS AND OTHER WORKS OF ART.**

SATURDAY, *November 28, 1908.*

The CHAIRMAN. We will hear the gentlemen who desire to be heard on works of art on the free list. I have a number of names here on the programme. The arrangement is that these gentlemen will be heard for five minutes. It will be necessary to do this because there are gentlemen here from a long distance who desire to be heard on other paragraphs which we hope to reach. The first speaker to be heard will be Mr. Robert W. de Forest, chairman executive committee, American Free Art League.

NOTE.—The present tariff provisions relating to works of art are as follows:

“454. Paintings in oil or water colors, pastels, pen and ink drawings, and statuary, not specially provided for in this Act, twenty per centum ad valorem; but the term ‘statuary’ as used in this Act shall be understood to include only such statuary as is cut, carved, or other-

wise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and as is the professional production of a statuary or sculptor only.

"701. Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought by professional artists, lecturers, or scientists arriving from abroad for use by them temporarily for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States, and not for sale, shall be admitted free of duty, under such regulations as the Secretary of the Treasury shall prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in cases where applications therefor shall be made.

"702. Works of art, collections in illustration of the progress of the arts, sciences, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other material, imported in good faith for exhibition at a fixed place by any State or by any society or institution established for the encouragement of the arts, science, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation for the purpose of erecting a public monument, and not intended for sale, nor for any other purpose than herein expressed; but bonds shall be given under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this provision, and such articles shall be subject, at any time, to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this and the preceding section shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

"703. Works of art, the production of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution, or to any State or municipal corporation, or incorporated religious society, college, or other public institution, except stained or painted window-glass or stained or painted glass windows; but such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe."

STATEMENT OF ROBERT W. DE FOREST, PRESIDENT OF MUNICIPAL ART COMMISSION AND CHAIRMAN EXECUTIVE COMMITTEE FREE ART LEAGUE, NEW YORK CITY.

SATURDAY, *November 28, 1908.*

Mr. DE FOREST. Mr. Chairman and gentlemen of the committee, we know that your time is short and we do not mean to burden you with the reading of a brief which we have presented and which each of you gentlemen is presumed to have.

The CHAIRMAN. We will print the first 17 pages of that brief in the record. We can not print the whole pamphlet.

The brief referred to is as follows:

The changes proposed which are contained in the following paragraphs leave all mechanical and chemical art productions dutiable, while all works of art done by hand and antiquities produced prior to 1850 are placed on the free list.

“703 (a). Works of art, including paintings in oil, mineral, water, or other colors, pastels, original drawings and sketches, etchings and engravings, and sculptures, but the term ‘sculptures’ as herein used shall be understood to include only professional productions of sculptors, whether round or in relief, in marble, stone, terra cotta, ivory, wood, or metal; and the word ‘painting,’ as used in this act, shall not be understood to include such as are made wholly or in part by stenciling or other mechanical process; and the words ‘etchings’ and ‘engravings,’ as used in this act, shall be understood to include only such as are printed by hand from plates or blocks etched or engraved with hand tools, and not such as are printed from plates or blocks etched or engraved by photochemical processes.

“703 (b). Objects of art of ornamental character or educational value which shall have been produced at any period prior to the year eighteen hundred and fifty, but the free importation of such objects shall be subject to such reasonable regulations as to proof of antiquity as the Secretary of the Treasury may prescribe.”

THE ART ARGUMENT.

I. It is the duty of the Government to encourage the fine arts as a branch of education as well as commerce, trade, manufactures, and agriculture.

(a) The encouragement of industries is more important in a new nation, but, when they have been firmly established and proper protection for them is assured, then the Government should provide for the encouragement of the fine arts.

(b) The art of a nation is one of its most refining influences, and becomes in time its most enduring monument and the highest expression of its civilization.

(c) While the expenditures of the Federal Government are gigantic, its revenues from other sources are ample without resort to the inconsiderable return from a virtual penalty upon the introduction of works of art.

II. Ours is almost the only civilized nation which does not affirmatively lend its aid to the promotion of the fine arts.

(a) The following Governments have long since placed works of art on the free list: Great Britain, Germany, France, Russia, Italy, Holland, Belgium, Denmark, Sweden, Norway, Portugal, Greece, Roumania, Commonwealth of Australia, Dominion of Canada, Newfoundland, the South African Customs Union, and many smaller countries.

NOTE.—Canada, paintings and pastels valued at not less than \$20 each, free. Newfoundland, the work of artists of recognized merit, free. Italy, statuary, free. Paintings, etc., dutiable only on the material as material, regardless of the art value of the object.

(b) Most of the Governments of Europe have bureaus of fine arts in their departments of education.

(c) They make liberal appropriations from the public treasury for the maintenance of art museums and art schools and for public exhibitions of art.

(d) They regard works of art as national treasures, whether owned publicly or privately. In Italy and Spain important works of art in private galleries are catalogued by the Government, and can not be sold or exported without the permission of the ministers of education.

III. The highest development of art in this country can only be attained by the most perfect freedom and unhampered exchange of ideas between the artists of this country and of other countries.

IV. Art is not indigenous, but the art of one country finds its inspiration in the art of the civilizations which have preceded it. Thus Greek art felt the powerful influence of Assyria and Egypt; Roman art, that of Greece and Etruria; French art, that of Italy; Japanese art, that of China.

(a) The highest development of art in this country can only be attained through the fullest knowledge of the art of the past and the unhampered flow of ideas from other countries. Having no art traditions of its own, this young nation should have the benefit of all that the art treasures of the Old World can teach or suggest, without hindrance from tariff barriers.

(b) A governmental policy which, through the removal of such barriers, shall encourage the free admission of works of art to this country, will make the United States a much more beautiful and pleasant place to live in for all its inhabitants.

(c) It is the superior opportunities of seeing great works of art in other countries which makes foreign travel so attractive to our citizens. The art treasures of the National Gallery of London, the Louvre in Paris, the Royal Art Museums at Berlin and Dresden, the Pitti and Uffizi Museums in Florence, the Vatican Galleries in Rome, and the Hermitage Gallery in St. Petersburg, are magnets constantly drawing travelers to them.

(d) With the inevitable growth of public and private art collections in this country, and consequent increase of opportunities of viewing them through permanent and loan exhibitions, there is no reason why every important city of this country should not become a noted art center and point of popular attraction.

THE EDUCATIONAL ARGUMENT.

I. A proper regard for the advancement of the country in popular education makes it necessary that this tax on knowledge and good taste should be removed.

(a) The free introduction of works of art facilitates not only the teaching and study of art by the process of object-lessons, but also the teaching of history and the record of civilization.

(b) The greater the number of art objects there are within the country, either in private or public possession, the easier it will be for our people to acquire a knowledge of art and of the place which art has held in other countries and other eras.

(c) The study of drawing or art is a recognized essential of a common school education, and educators are agreed that the study of art has a high educational value.

NOTE.—See Prof. Paul H. Hanus, of Harvard University, on "Educational Values."

(d) The educators of the country are a unit in their opinion that works of art should be free of import duties.

(e) Short arguments by two hundred college presidents in favor of free art accompany this brief.

THE INDUSTRIAL ARGUMENT.

I. Free art, through education in art, will add greatly to the wealth of the country because it will benefit the industries in whose products form and design play an important part, such as dress goods of silk, cotton, and woolen, jewelry, carpets, furniture, wall papers, pottery, lace, glass, and china ware, architectural features in metal and stone manufactures, etc.

(a) Free art is the complement of protection with respect to such industries, and is absolutely essential to enable them to compete with foreign concerns whose governments have adopted the policy of fostering the fine arts.

(b) European countries have applied art education to industry with such persistence that it has produced manufactured articles of superior design.

(c) Such a policy has been followed for so many generations in France that the humblest artisan has an artistic taste and skill which gives greatly increased value to his work.

Mr. Mason, consul-general to France, in his 1907 report, gives the following as one of the reasons why France has held her own commercially, notwithstanding her poverty of coal and iron:

"And, above all, the instinct of artistic taste fostered and developed by education and governmental influence until it has become a national attribute."

(d) Germany, through the liberal introduction of works of oriental art and consequent wide-spread knowledge of Eastern taste and standards, has secured and held an enormous trade in Japan. Nor are these the only examples that might have been adduced.

(e) Drawing was originally introduced in the common schools of America on the petition of manufacturers for the express purpose of improving the manufactures of the country.

NOTE.—See petition to the legislature of Massachusetts, 1869.

(f) Free art will help to secure, through enlarged opportunities for art education by object study, the advantages to artisans and artists in this country which are now found in a superior measure in countries abroad.

II. Free art by multiplying the art objects of the country will develop an artistic taste among the people, which will in turn create a demand for artistic products, and so call into existence new domestic industries which will give employment at high wages to skilled laborers, both men and women.

THE ARTISTS' ARGUMENT.

I. Free art will be an unquestionable benefit to American artists.

(a) Through art education it will create an appreciation of art which will result in an increased demand for the product of the artists. It is a well-known fact that, as a knowledge of art has grown in this country within recent years, the intelligent patronage of American artists has increased, and collections composed specially of the works of American artists have grown in number and importance.

(b) The American artists, with few exceptions, for many years have favored free art.

(c) Most of our leading artists have received their education in Europe. Free art will help to make this practice unnecessary by developing an art atmosphere in America which will provide the necessary environment for the growth of the artist.

(d) Our artists have been warmly welcomed and generously treated in Europe. Foreign art schools, galleries, and exhibitions, including the French salon, are thrown open to them free of charge, and they compete on equal terms for the prizes offered by foreign governments. These privileges give prestige and standing in the art world to our artists.

(e) Our American painter, Edwin A. Abbey, says: "American artists and their work are so liberally received and hospitably treated by all other countries that it is a matter of chagrin and embarrassment to me that laws are made by my countrymen which keep the work of artists of other countries out of the United States, laws which hamper our own artists and benefit nobody else."

(f) The duty prejudices American artists in the eyes of American purchasers by adding an artificial value to imported works of art.

(g) Art dealers here seeing the advantages certain to accrue not only from the more liberal importation of foreign works, but from the prospective growth of interest in art generally, are largely in favor of the removal of the present duty.

(h) Short arguments for free art by 250 artists and art dealers accompany this brief.

THE MUSEUM ARGUMENT.

I. The educational value of our museums is inestimable.

(a) About 16,000,000 people have visited the Metropolitan Art Museum of New York since 1880.

(b) The number of visitors in a few of our museums for the year 1907 follows:

Metropolitan Art Museum, New York.....	800,763
Boston Museum of Fine Arts.....	259,566
Chicago Art Institute.....	661,204
Pensylvania Academy of Fine Arts, Philadelphia.....	199,259
Yale Art Museum, New Haven, Conn., average per Sunday.....	1,115
Rhode Island School of Design, Providence.....	60,941
Cooper Union Museum, New York.....	6,286
Detroit Museum of Art.....	150,000
San Francisco Institute of Art, before destruction, average.....	37,000
St. Louis Museum.....	142,769
Layton Art Gallery, Milwaukee.....	28,568
Buffalo Fine Arts Academy.....	120,683

National Museum (Museum building, Smithsonian building), Wash- ington, D. C.....	363,698
Corcoran Gallery, Washington, D. C.....	177,624
Cincinnati Museum.....	55,180

NOTE.—Most of the museums have art schools in connection with them. The students of these schools and of other art schools use the museums, and are given permits to copy the paintings and other art objects. Other artists also have these privileges.

(c) Small museums are springing up everywhere, especially in the Central West, West, and South, and in a few years no important community will be without one.

II. Free art will contribute very greatly to the establishment and growth of these museums.

(a) The present tariff law admits free only works of art imported directly for public museums. As only a small part of their accessions are obtained in this way, the evident purpose of Congress to encourage the collection of art for public museums is not attained.

(b) The most effective way of attaining this end is to permit individuals to import art free, because the public museums depend not only for their growth, but for their very existence, upon the gifts, bequests, and loans of individuals. The monthly bulletin of any museum makes this fact very evident. Private ownership is the great reservoir upon which they depend for their principal supply.

(c) Much more than one-half of the imported art in our public museums have been acquired by the gifts or loans of private collectors.

1. Four-fifths of the foreign collection of works of art in the Metropolitan Museum of the Fine Arts in New York have been thus acquired. The imported paintings are valued unofficially at \$5,000,000. Half of them are owned by private individuals and loaned to the museum. Two million dollars' worth of paintings have been given to the museum by individuals. Only half a million dollars' worth was purchased by or came directly to the museum.

2. One-half of the collection of the Corcoran Gallery at Washington, in value, was presented or is loaned by private individuals.

3. Of the 139 foreign paintings owned by the Boston Art Museum and on exhibition at a certain time, 57 were presented and 56 loaned to the museum.

4. Fifty per cent of the foreign collection of the Toledo Museum of Fine Arts came to it in the same way.

5. And also the principal foreign paintings in the Worcester Art Museum.

6. Sixty per cent of the foreign collection of the Chicago Art Institute came from private collections; 175 of the 220 paintings owned by the institute were presented to it, and 100 of the 125 loaned pictures came from private individuals.

III. It is perfectly evident that the public art collections would be richer to-day, but for the duty, by at least the amount of the duties paid, and this does not take into account the psychological effect of the duty in discouraging their purchase and importation, nor the art objects actually kept out of the country by the duty.

(a) Many American collectors, deterred from importation by the duty, keep their collections on the other side, where the people of other countries get the benefit of them through their loan for exhibition in the principal capitals of Europe. Thus the people of this country are deprived, so long as the duty remains, of the hope of

seeing publicly exhibited here, as unquestionably they would be, many of the most famous works of art of ancient and modern times.

(b) Nearly all of Mr. Charles Parsons's donation to the St. Louis Museum, which forms the chief part of the museum, was imported by him, and Prof. Halsey C. Ives, who knew Mr. Parsons personally, says that "but for the duty Mr. Parsons would have purchased twice as much and the museum would now be so much the gainer."

(c) The Springfield Museum, which will go to the city upon the death of Mr. George W. V. Smith, its owner, would be much larger but for the duty.

(d) When the duty was raised from 10 per cent to 30 per cent in 1883, the works of art imported fell off in value from \$3,380,639.15 to \$1,191,206.67; when the duty was lowered in 1890 to 15 per cent, the value of the works of art imported increased from \$2,061,018.93 to \$2,559,308.43; when the duty was removed in 1894, the value of the works of art imported increased from \$1,518,688.63 to \$4,053,482.88; and, when the duty of 20 per cent was imposed in 1897, the value of the works of art imported fell off from \$4,628,713.84 to \$2,124,778.66.

IV. It is a well-established principle among art and museum experts that the important art works inevitably drift from private to public possession by gift or bequest. The individual collector becomes the conduit from private to public ownership.

(a) Thus the Chicago Art Institute came into possession of three out of the four most important private collections in Chicago in the first ten years of its existence.

(b) The Harriet Lane Johnson, the Charles L. Freer, and the William T. Evans collections have recently been given to the nation.

(c) In Philadelphia it is expected that the three most important private collections, containing 2,500 paintings, will be united and presented to the city.

V. In the last analysis the duty on art sacrifices the growth of our own art museums to the increase of foreign museums.

(a) This is due to the fact that foreigners and the agents of foreign governments have a distinct advantage in the purchase of art works in foreign markets, because their governments do not put a duty on works of art.

The American collector must add the amount of the duty to the purchase price. This makes it easier for the foreigner to get the works of art, and, as our museums depend upon the private collector, the obstacle of the duty impedes their growth.

VI. The American Association of Museums passed resolutions in favor of free art at its last annual meeting, and a petition signed by the officers of the art museums of the country accompany this brief.

ARGUMENT FROM PRECEDENT.

I. Congress has itself recognized the necessity of a policy of encouraging the fine arts, and it should carry this policy to its logical conclusion by putting works of art on the free list.

(a) This is demonstrated by the exemptions from duty which it has made, as shown in the notes to the tables showing the history of the art duty, accompanying this brief.

(b) The phrase "encouragement of the fine arts" actually appears in the law.

(c) Congress has also recognized the validity of our arguments by always keeping the art duties below the level of the other duties.

1. The following table shows the low duty on art compared with the average rate on dutiable imports:

Tariff act.	Average rate.	Duties on art, omitting engravings and etchings.	Antiquities.
	<i>Per cent.</i>	<i>Per cent.</i>	
1897.....	^a 50	15-20	(b)
1894.....	41.44	Free.	Free.
1890.....	48.65	15	Free.
1883.....	45	30	Free.
1862-1883.....	^c 42.78	^d Free.	Free.
1861.....	19.10	10	Free.
1857.....	20.27	Free.	Free.
1846.....	25.54	^e Free.	Free.
1841.....	36.60	20	(b)
1832.....	29.80	Free.	(b)
1828.....	41.16	15	(b)
1824.....	38.53	15	(b)
1816.....	^a 20	15	(b)

^a About.

^b According to material.

^c Maximum 54.39 in 1865.

^d 1862-1878.

^e Or 20 per cent if for sale.

NOTE.—(a) The art duty has remained about 15 per cent, while the other duties have increased from 20 to 50; (b) art has been free during twenty-seven years, since 1879, and antiquities during forty-six years; (c) when other art was taxed 30 per cent in 1883, antiquities were free; (d) the duty was not increased for war purposes in 1861.

2. In construing the art schedules, the courts have sometimes based their decisions upon the ground that it was the intent of Congress to encourage a taste for art by making the duties on art low, or by putting art on the free list.

In *Viti v. Tutton* (14 Fed. Rep., 241, p. 246) the court said, "The object of the act is doubtless to encourage a taste for art, and hence to admit the work of professional artists at a low rate of duty," and in *U. S. v. Tiffany & Co.* (160 Fed. Rep., 408, p. 410), "That Congress, realizing the importance of art to a comparatively new country, has in all the later tariff acts discriminated in favor of paintings and statuary can not be denied."

THE TARIFF ARGUMENT.

I. The duty on art has no place in the tariff theories of any school of taxation.

(a) Works of art are not within the theory of protection.

1. The American artist who, if there were any protection in the duty on art, would be the beneficiary, repudiates the duty and is a most earnest petitioner for its repeal. (See Artists' argument.)

2. Under the theory of protection noncompetitive products which are also necessities, like coffee and tea, are not dutiable, while competitive products, even though they may be necessities, like sugar or wheat, are dutiable. The latter is based on the principle that the duty keeps American capital invested in the United States and provides employment for American laborers at high wages, and that these advantages outweigh any objections on account of their being necessities.

3. Works of art are in the first class, because they are educational necessities and because they are noncompetitive in the commercial

sense. They are noncompetitive, because a work of art is a work of genius and not the product of a machine. There are no two alike, as in the case of manufactures, but each has its individuality. It is this individuality which attracts the purchaser. He asks not for a painting of a certain class or grade, but for the painting of a certain artist.

4. No one who believes in the theory of protection can consistently say, "First take the duty off of necessities," because that ignores the very fundamental theory of protection.

5. What possible competition can there be between a Rembrandt or a Valasquez and an American painting?

6. The act of 1832, passed by the Whigs, or National Republicans, was a distinctly protectionist measure, and it put art on the free list.

7. The act of 1861, as reported and passed by the House, put art on the free list.

8. The McKinley bill of 1890, as reported by the committee, put art on the free list.

(b) Art is not within the theory of taxing luxuries for revenue.

1. Art is an educational necessity, and becomes a luxury only in a primitive state of society.

2. The duty on art is a tax on knowledge and culture.

3. Almost no civilized nation of importance, as shown above, taxes art as a luxury.

4. The act of 1846 was passed by the Democratic party with the avowed purpose of putting the principles of free trade into operation as far as possible. It was based on the report of the Secretary of the Treasury, Mr. Robert J. Walker, and one of its fundamental principles was that the maximum duty should be levied on luxuries. Art was made free in this act.

5. The act of 1857, a near approach to free trade, retained art on the free list.

6. The Democratic Wilson bill of 1894 put art on the free list.

7. As a revenue producer, the duty on art is not important, but if it were a revenue obtained at the loss of the intellectual advancement of the people is too expensive to be endured.

8. The need of revenue was never greater than during the civil war, but it was not deemed good policy to raise any additional amounts by increasing the duty on art.

9. It was estimated by the framers of the act of 1897 that the art duty would yield \$1,000,000 annually, but it has been a distinct failure in this respect. The first year it yielded only \$236,242.75; the half-million-dollar mark was not passed until 1905. In 1908, over ten years after, it had risen to less than \$600,000.

(c) The list of important men in both parties who are on record in favor of free art is a most notable one.

1. Among others may be named Theodore Roosevelt, William McKinley, Grover Cleveland, Benjamin Harrison, Chester A. Arthur, John Hay, Richard Olney, James G. Blaine, Levi P. Morton, White-law Reid, George F. Hoar, Joseph H. Choate, William L. Wilson, George V. Vest, William B. Allison, John C. Spooner, Charles Sumner, George F. Edmunds, John J. Ingalls, Thomas F. Bayard, and Stephen A. Douglas.

THE PUBLIC-OPINION ARGUMENT.

I. Congress should put art on the free list because the whole country is strongly in favor of such action.

(a) The 500 directors of the American Free Art League are distributed through all the States of the Union, and a glance at the personnel of the list, a copy of which accompanies this brief, will demonstrate that they represent the sentiment of the entire country.

(b) The newspapers of the country are practically a unit in favor of the removal of the duty.

A collection of extracts from 300 different newspapers favoring free art accompanies this brief.

Respectfully submitted.

AMERICAN FREE ART LEAGUE,
By MYRON E. PIERCE,

Organizing Secretary and Counsel, 50 State Street, Boston, Mass.

History of the art duties.

	1789.	1790.	1792.	1794.	1800.	1804.	1812.	
Paintings.....	5	10	10	10	12½	15	30	
Statuary.....	5	10	10	10	12½	15	30	
Drawings.....	5	10	10	10	12½	15	30	
Etchings.....	5	10	10	10	12½	15	30	
Engravings.....	5	10	10	10	12½	15	30	
Antiquities.....	(a)	(a)	(a)	(a)	(a)	(a)	(a)	
	1816.	1832.	1841.	1842.	1846.	1857.	1861.	
Paintings.....	15	Free.	20	20	b Free.	Free.	10	
Statuary.....	15	Free.	20	{ c30 d20 }	b Free.	Free.	10	
Drawings.....	15	Free.	20	20	20	15	10	
Etchings.....	15	15	20	20	10	8	10	
Engravings.....	15	15	20	20	10	8	10	
Antiquities.....	(a)	(a)	(a)	(a)	Free.	Free.	Free.	
	1862.	1864.	1870.	1872.	1883.	1890.	1894.	1897.
Paintings.....	10	10	10	10	30	15	Free.	20
Statuary.....	10	10	10	10	30	15	Free.	20
Drawings.....	10	10	10	10	20	20	Free.	20
Etchings.....	20	25	25	25	25	25	eFree.	25
Engravings.....	20	25	25	25	25	25	eFree.	25
Antiquities.....	Free.	Free.	Free.	f Free.	Free.	Free.	Free.	(g)

(a) Dutiable according to material up to act of 1846.

(b) Free, if imported as an object of taste and not of merchandise.

(c) Marble.

(d) Others.

(e) Artist's proofs, and others twenty years old, free, otherwise 25.

(f) T. 1878.

(g) As per material.

Mr. DE FOREST. Now, gentlemen of the committee, you may ask what is the American Free Art League? Our board of directors numbers about 500. They are educators, men of affairs, artists, officers of universities or art museums, and represent every calling. They come from every State in the Union. A full list of them is presented to the committee. Our president is Bryan Lathrop, of Chicago. One of the most prominent members of our executive committee is Halsey C. Ives, director of the St. Louis Art Museum, who was art director of the Columbian Exposition at Chicago in 1893, and who occupied the same position at the more recent St. Louis Exposition. We have a large general membership throughout the country. None of us have any pecuniary interest in the duties on works of art.

We represent, as we believe, present and enlightened public sentiment on this subject. Quite aside from the representative position of our directors we present the opinions of some 200 college presidents and educators, the opinions of some 200 artists, and extracts from over 300 newspapers and magazines.

The object of the league is to secure the removal of duties from all works of art which have an educational value.

We ask that original works of art, including paintings and sculptures, shall be free of duty, and that objects of art of an ornamental character or of educational value, which shall have been produced more than fifty years ago, shall be likewise free of duty.

The particular amendment of the present tariff which we propose is contained on the first page of our brief.

Why do we ask this?

(1) To promote the education of our people.

Art education is mainly conducted by object lessons. It is only by the presence of artistic objects in schools, colleges, and museums that knowledge of art and appreciation of art can be increased. It is only by such increased appreciation that a demand is created which our artists and artisans can supply. We must obtain our object lessons for the teaching of art in large measure from abroad, and encourage their importation by making them free of duty.

Many European nations which are anxious to possess them are trying to prevent our obtaining them by the imposition of export duties. Now naturally it is madness for us who need them to exclude them by import duties. Ours is almost the only civilized nation which raises any tariff wall against objects of art. Free art has long been the policy of France, Germany, Great Britain, Italy, Greece, Russia, Holland, Belgium, Denmark, Sweden, and Norway.

(2) To promote the development of our museums and through them the art education of our people.

Almost all the material for our art museums must come from abroad. Most of it must reach the museum by private gift. Private ownership is the great reservoir upon which the museums depend for their principal supplies. Private ownership of art objects will be more or less, and the development of our museums will be rapid or slow, just in proportion as we do not discourage importations by the imposition of a duty.

True, direct importation by museums can now be made free of duty, but it is not by direct importations that our museums can grow. Unlike the museums of Europe, they have no government subsidies.

They can directly purchase but little. Their increase comes from gifts of those who have been tempted to acquire by a desire for acquisition and whose gift to the public is a second thought. All great works of art in our country will sooner or later become the property of the people by being given to our public institutions. The more we tempt in the more the people will ultimately have.

The possible objections to putting art on the free list, and answers to them, are as follows:

(3) To promote the development of all our home industries in whose products artistic form and design play an important part.

(4) To benefit American artists by broadening the popular appreciation of art and thus broadening their market.

"Art is a luxury of the rich, and therefore should be taxed."

If pictures and statuary, like wine and tobacco, could be selfishly consumed by the rich who acquire them then they could be so classed, but their enjoyment by the rich who originally acquired them, even if not shared, is after all but a brief enjoyment, and the people through our museums and other public institutions fall heir to the heritage.

"Free art means less revenue."

A little less. It was under \$600,000 during the last fiscal year—a paltry sum compared with the educational and artistic gain. It is much less than several European governments are paying out directly from their own treasuries to buy the very works of art which by this duty we are keeping out of our own country.

I desire, with the permission of the committee, to insert in the record a letter from Mr. Cox.

The CHAIRMAN. That may be done.

(The letter referred to is as follows:)

134 EAST SIXTY-SEVENTH STREET, NEW YORK,
November 23, 1908.

MR. ROBERT W. DE FOREST.

DEAR SIR: I regret exceedingly that my service to the National Academy of Design is likely to render it impossible for me to be with the committee of the American Free Art League at its hearing in Washington. I do not doubt that all the general arguments against a tariff on works of art—arguments which affect me in common with all art-loving citizens—will be admirably presented by others; and those arguments should be decisive. But there are arguments that affect me especially, as a working artist, which I should like to present to the Ways and Means Committee. I should like to say to them:

"GENTLEMEN: I am a practicing professional artist—that is, a workingman who gains a modest livelihood by the labor of his two hands as truly as does a carpenter or a plumber. And I ask you to believe that we artists are not fools, and that we have some understanding of the conditions under which we live; when we ask you to remove the tariff on works of art we are no more inclined to cut our own throats than is the manufacturer who asks you to place a tariff upon goods which compete with what he produces. If what we ask for is different, it is because the conditions are different.

"Let me illustrate. Twenty-five years ago, when I had concluded my term of studentship and had to think of making a living, I determined to settle in the city of Cincinnati, on the theory that where there was little competition there should be less difficulty in finding work. Well, I tried it for a time, and I found that while there was little competition, there was no demand at all, at that time, for what I could do. I was like a corset maker on a South Sea Island before the missionaries came. So I thought I would go where there was more competition and more demand, and I came to New York with \$25 in my pocket. Since then I have had some hard times, and I have never made a fortune, but I have contrived to live on what I could earn.

"The point of this is, that art is not a natural want that must be supplied; preceded and created the demand; that the

artist depends for his livelihood on educating his public to want what he can give them. That is why the artist always goes where there is the most art and where there are the most artists. A tax on works of art, so far as it is effective, tends to retard that general education in matters of art which creates the public on which the artist relies, and directly reduces his chance of selling his product. The more works of art that are brought into or produced in this country the more the people will want. The more the people are educated to know a good work of art when they see it, the more chance there will be of their patronizing native talent without fearing that it must be inferior to the imported article.

And I do not fear the importation of trash, for I believe that bad art has an educational value as well as good art. Most art lovers have begun by liking inferior things, which have gradually educated them to like something better. Let me illustrate again: I do not imagine that even the publishers of that estimable periodical will maintain that the illustrations in Harper's Weekly in the sixties were the highest manifestations of pictorial art. They represented painting to me when I was a boy in Ohio. As for sculpture, my notions of that art were derived from the wooden Indians in front of the cigar stores. This is literal fact. From the study of such things I went on, as opportunity offered, to the study of what was better until I determined that I must have the best, and went abroad, as was necessary then, to get it.

If you gentlemen have any care for the prosperity of American artists, throw the doors wide open to the competition of the world. I have confidence that our artists can meet it. The good things that come in will remain as an addition to the intellectual and material wealth of our country; the bad things will disappear, and in disappearing will have done their part in that education of the public on which the progress and prosperity of our native artists must depend.

This is something like what I should wish to say to the Committee on Ways and Means, and I hope some one else will say it for me.

Yours, very sincerely,

(Signed) KENYON COX, N. A.

Mr. GRIGGS. May I ask one question, Mr. Chairman?

The CHAIRMAN. Certainly.

Mr. GRIGGS. You speak of this new country of ours; you lay special stress on that. How old was France when she put art on the free list?

Mr. DE FOREST. France has never had any duty on art.

Mr. GRIGGS. Never?

Mr. DE FOREST. No, sir.

Mr. GRIGGS. How old was Germany?

Mr. DE FOREST. Germany never had any duty on art.

Mr. GRIGGS. I do not mean the German Empire, but the German States.

Mr. DE FOREST. Never.

Mr. GRIGGS. Austria?

Mr. DE FOREST. Austria never had any duty on art.

Mr. GRIGGS. England?

Mr. DE FOREST. England never had any duty on art. Italy has an export duty, and we have to pay that duty in order to get art objects.

Mr. GRIGGS. I understand that.

STATEMENT OF BRYAN LATHROP, OF CHICAGO, ILL., PRESIDENT OF THE AMERICAN FREE ART LEAGUE.

SATURDAY, *November 28, 1908.*

Mr. LATHROP. Mr. Chairman and gentlemen of the committee, I come from Chicago, and in behalf of Chicago and of the great West I appeal to you to put art on the free list.

The West has been called crude, raw, ugly, and materialistic. This was once entirely true and it is still partly true. But a change is taking place, an awakening has begun. The people have begun to realize their lack of a sense of beauty and the need to cultivate it, and the importance and value of beautiful things. Fifty years ago there was only one public park in America. Now every city and almost every town in the West has its park or is planning for one, and some of these can make a Bostonian blush for his public garden.

Fifty years ago there was, I believe, only one public art gallery in America, the Düsseldorf Gallery of New York, which would now be an object of derision, and to-day art museums are scattered all over the land, and are multiplying.

Almost every country in Europe is spending large sums in buying pictures and statues, while we, the richest of the nations, impose a penalty on their introduction by individuals, and the greater the picture the greater the penalty. Within a few years England has paid about half a million dollars for two paintings. If any large-minded American had bought these pictures he would not have been allowed to bring them into this country until he had paid \$100,000 for the privilege of adding them to the scanty art treasures of the nation which stands most in need of them.

It is a truism that all fine pictures and statues owned by individuals are at some time shown to the public and that most of them in time belong to the public museums.

The chief collections in the Art Institute of Chicago were made by individuals and given or bequeathed to the museum; and all of the best paintings owned in Chicago have been exhibited in the museum.

I shall cite only one illustration of the interest in art which the West is showing. Over 600,000 people visit the Art Museum of Chicago in a year, and last year over 4,000 students attended its art school, which is not free, but has always been sustained by the tuition fees. No other art school in existence has so many students. They come from all over the broad West.

The effect of this school can be seen in the improved designs of almost every kind of manufacture—in furniture, vehicles, street cars and railway cars, pottery, gas fixtures, agricultural implements, tools, and a thousand other articles in common use.

The western people are beginning to hunger for beauty, and what the whole West really wants it is apt in time to get. They are not yet fully awake to their needs, but in the West things move quickly and the snowball soon becomes an avalanche. Our people are swarming over Europe in ever increasing numbers, and they come back with memories of art galleries, and they want more of them near home, which they and their children can see without crossing the ocean.

They are quite willing to forego their share of the pittance which the nation receives from duties on art, and, finally, Mr. Chairman and Gentlemen of the Ways and Means Committee, they implore you to open wide the door for works of art and to admit them as freely as the air we breathe.

STATEMENT OF LESLIE W. MILLER, SECRETARY OF THE FAIRMOUNT PARK ASSOCIATION, PRINCIPAL OF THE PENNSYLVANIA MUSEUM AND SCHOOL OF INDUSTRIAL ART, AND VICE-PRESIDENT OF THE ART CLUB OF PHILADELPHIA.

SATURDAY, *November 28, 1908.*

Mr. MILLER. Mr. Chairman and gentlemen, I have no right to claim your attention for what I think; I only claim it for a moment for what I represent. I represent, in the first place, three organizations which are, I believe, as representative as any other in a State, which, whatever else you may think of it, can not be charged with a want of loyalty to the idea of protection. I want it distinctly understood that we stand, or the organizations I represent stand, for free art, not from any want of loyalty to the idea of protection, but because we believe that art is very strictly and truly a thing apart from anything in connection with commercial considerations under which all our protective policy has been shaped. It is a thing not of material things; not of wages; not of time estimates; of quality values, or anything of the kind, but is simply and solely a matter of ideas. It is because art makes for the intellectual uplift of the people, for the improvement of the taste, and that kind of power in a people which depends upon its taste, that we plead for the removal of every restriction that hinders the development of this intellectual power; nothing else. I wish it distinctly kept from considerations of any commercial character whatever.

Art represents, in our estimation, that cultural element which is the chief uplifting and developing element in all educational effort. I speak especially, not for the school of fine art, but for the school of industrial art. My plea as directly as possible refers to the training of industrials, and art is the influence through which we seek the uplift of this class of endeavor. We believe that whatever makes for this influence should be welcomed; that we should extend an open hand toward whatever can bring in any form this leavening and inspiring element which is the main force on which we rely for the development of the higher classes of productive energy. It is not entirely a matter of paintings and statues as such; the important thing is the influence which works of art exert on the taste of a people and through their taste the development of that power upon which industrial efficiency depends. The history of all countries, I think, that have a history that can be worth anything to us on these grounds, is that their progress and their development has begun and has continued just in proportion to the hospitality which they have extended to this enlightening influence.

Even if the subject is considered from the point of view of the artist alone the case can hardly be different. What the American artist needs is not natural talent, of which he has his full share, or opportunities for study, for the best schools of the world are open to him and he has already made an excellent record in them, but an appreciative public and an atmosphere in which he can live.

He can not expect to have these things in a country where there is not a great deal more art than there is here and attach no importance whatever to the plea for a duty "to keep out the trash." Our artists are not in competition with the producers of trash, and the more good things that our people see the more they will want.

But the subject must not be considered from this point alone. It is something that concerns our people as a whole. No work is better worth doing than that which is concerned with the elevation of public taste and the consequent advancement of the intellectual ideals of a people.

Americans are hungering and thirsting for the kind of nourishment which is afforded only by the sight of beautiful things. It is inconceivable that the business of supplying it is in any danger of being overdone, and certainly the custom-houses of the country ought to be used for some better purpose than hindering and discouraging the free circulation of a current which makes so strongly and so unmistakably for enlightenment and progress.

**STATEMENT MADE BY GARDINER M. LANE, PRESIDENT OF THE
BOSTON (MASS.) MUSEUM OF FINE ARTS.**

SATURDAY, *November 28, 1908.*

Mr. LANE. Mr. Chairman and members of the committee, I represent here the Museum of Fine Arts, in Boston, Mass., one of the oldest museums in this country, and one which has collections of great value. The functions of our museum are twofold: First, collecting objects of art brought from all parts of the world and exhibiting them in the best possible manner; second, the practical use of such objects of art in education. I wish I could use the large figures that Mr. Lathrop has given you, but Boston is a small place; nevertheless, our museum is visited annually by over a quarter of a million people, coming largely from New England, but also in very considerable numbers from other parts of our country. It is supported in part by the income from invested funds, and also by subscriptions from generous, public-spirited citizens. No city or state aid is received. The sum available for increasing the collections is but a few thousand dollars a year. We must look, therefore, to gifts of objects of art if our museum is to progress in the future as it has in the past. These gifts will come from private collectors, who must pay, in purchasing pictures, the tariff now assessed by the Government. Such collectors can not buy pictures, statuary, and other objects of fine art free from duty, as can a museum, a university, or a school. The easier and cheaper it is made for private collectors to buy works of art the more rapidly will the collections of our museums be increased.

Our collections are benefited by legacies of pictures and other works of art. It is well known that no private collection in this country lasts for more than two generations. Generally it does not last longer than one. Such collections inevitably pass into our museums.

The second function of our museum, to which I have referred, and one of great importance, is its educational work. We have trained men to conduct school children and all others interested through the museum and to explain the different objects, giving their history and pointing out in what respects they are beautiful and remarkable as works of art. We also give courses of popular lectures and publish at regular intervals a serial containing articles on art as illustrated by our collections. In addition to this, we have a flourishing school

of over two hundred where painting, sculpture, and designing are taught. Every pupil in this school uses the collections of the museum. The school would be of much less practical value without the museum. The effectiveness of the school is largely increased by the use of our collections. This is true of all departments, and perhaps especially of the department of design. A designer who wishes to do the best work must have a more or less general knowledge of all artistic objects. If he is to compete with foreign designers, he must be able to use the experience of others as expressed in works of art. He must, in short, acquire the museum habit—that is, he must study and visit works of art in the museum at frequent intervals.

I would like to read a very short list here of the kinds of work done by the graduates of our school of design: Ornamental iron work, decorative art, interior decorations, embroideries, art department of a magazine, picture frames, scenic artists, designer of posters, designer of stained glass, designer of general metal work, copying of pictures, architect's assistant, designing wall papers, textiles, etc.

STATEMENT OF NEWTON H. CARPENTER, OF CHICAGO, SECRETARY OF THE CHICAGO ART INSTITUTE.

SATURDAY, *November 28, 1908.*

MR. CARPENTER. Mr. Chairman and gentlemen of the committee, I am here representing the trustees of the Art Institution of Chicago. At a recent meeting they passed this resolution:

Resolved, That the trustees of the Art Institute of Chicago are in favor of the removal of all duties on works of art, as they believe it should be the policy of the United States to encourage as far as possible the bringing into this country of the works of art not only by public institutions and museums, but by individuals because of their great educational value. The principal additions to the public galleries have come from works of art brought into the country legitimately by individuals.

The Art Institute is engaged in two lines of work: First, in forming and exhibiting a collection of paintings, sculpture, and other objects of art, and in conducting a school. We have a very large museum, probably the largest west of New York, and we have a school of over 4,000 students. Now, if you will admit into this country pictures free of duty it will have a tendency to increase to a large extent the number of pictures being brought into the country, and if the pictures are brought into the country you can rest assured that they will drift naturally into the museums. There have been three important collections, each of them valued at over \$200,000, that have drifted in this manner into the Art Institute of Chicago. The collectors of those collections have paid in fees to the United States Government over \$100,000. As I understand the attitude of the foreign museums, it is to provide, first, the ground upon which the museums are erected; second, to provide the museums with buildings for the display of collections; and third, to provide the collection. The policy of the United States seems to be very different. The people of the United States are providing the ground; they are providing the buildings; they are providing the collections, and the United States Government is putting a penalty upon their work to the amount of the duties.

Now, with regard to our art school, it is an absolute necessity that our art school shall be surrounded with the best forms of art. The bulk of the fine art products in the United States are brought in and remain in the eastern part of the country. You know that the center of population of the United States is somewhere near Chicago, and it is at that point that we are the weakest in our art products, and if you gentlemen now remove the duty it will have a great tendency to increase the pictures and other objects of art coming into the country, and it will enable our art students to be surrounded by the proper environment to advance them in the work they are doing.

In conclusion, I ask that the duty on works of art be removed, in order that our museums may be more rapidly enriched and the love and knowledge of art more widely spread throughout our country.

I will not take up any more of the committee's time.

Mr. CLARK. I would like to ask you one question. Are you a connoisseur of art yourself?

Mr. CARPENTER. That is not exactly my department. I attend to the business part of the Art Institute.

Mr. CLARK. Have you ever looked over this collection of bronze horses here in Washington?

Mr. CARPENTER. I do not know that I have.

Mr. CLARK. Well, if we put art on the free list are they going to import anything like them? [Laughter.]

Mr. CARPENTER. I can not tell what you people in Washington will do. I might say what we would do in Chicago.

Mr. CLARK. There are only two bronze horses in Washington that ought to remain up, and they are the Thomas horse and the Hancock horse.

Mr. COCKRAN. When you speak of the importation of works of art, you include horses as well as other departments?

Mr. CARPENTER. Yes, sir; that is one.

**STATEMENT OF GEORGE FREDERICK KUNZ, PRESIDENT OF THE
AMERICAN SCENIC AND HISTORY PRESERVATION SOCIETY,
ALSO VICE-PRESIDENT OF TIFFANY & CO.**

SATURDAY, *November 23, 1908.*

Mr. KUNZ. Mr. Chairman and gentlemen of the Ways and Means Committee, it is my object to urge upon you the necessity of giving us free art and free antiquities, so that our industrial artisans, whether they are employed in the manufacture of silks or other fabrics, or in the designing and shaping of articles of wood, ivory, iron, bronze, glass, porcelain, silver, or gold, may, through contact with the best models, give us a purer industrial art and at the same time command a higher compensation for their work. In this way America will be able to compete successfully with France and other older countries, where art is free, where the artisan, stimulated by the best examples of the art of all ages, is enabled to create works of art of permanent value and corresponding to the very highest standard of excellence.

As our tariff stands to-day, the mummy, the jewels, the furniture, and the utensils found in the tomb of an Egyptian princess are dutiable not only at their intrinsic worth, but also at their value as antiquities. If a statue by Praxiteles, a piece of die work from the hand of the great Kimon of Syracuse, a crown that had rested upon the head of a Cæsar, and the glass from which he drank were all brought to this country; if the Venus de Milo, even, were brought here, the value of these objects would be appraised and duty levied not only on the actual worth of the materials of which they are composed, but on the basis of the price at which they had been sold abroad. In other words, if some collector could buy the Venus de Milo for \$500,000, a duty of \$225,000 would be levied upon it. Not because of the worth of the marble, but simply because of its importance and prominence in the history of art, a statue intrinsically worth \$1,000 at most would be appraised as worth \$499,000 more on account of its value as an antique.

It is estimated that more than one-half of the five milliards paid by the French Government as war indemnity to Germany was paid in the products of its artist artisans, who derive a perpetual benefit from free art and free antiquities. These latter would prove of permanent value to our American art industries. At present the duty is a handicap on all such professions. A free importation of art objects would mean an advance in the character and quality of the graphic arts in our country, so that the poorest child in the most distant hamlet would derive benefits from this development.

To my own knowledge there are millions of dollars worth of paintings, sculpture, bronzes, miniatures, ivories, watches, and other choice art objects in London and Paris which the American collectors propose to keep, and have kept, in their European houses until the United States Government changes what they term an exorbitant tariff.

The free and unrestricted importation of these art treasures would not only mean the enriching of our museums, but also of the collections of many private owners in Baltimore, New York, and other cities, who permit the public to view their art objects on certain days, allowing free access to their galleries for this purpose. All this means improvement of the beauty and attractiveness of our cities and results in the advancement of the national product, so that not only we ourselves, but those who are to come after us will derive benefit from the importation of the best art productions.

At present the models of the American artisans, in most instances, are taken from pictures that are only copies of the great originals. Instead of designing a Louis XIV or a Louis XVI room, or a bit of Renaissance jewelry from the original, their inspiration must come from a drawing or reproduction of some other kind, which is not calculated to produce the best work or educate the taste to a proper appreciation of the designs of these celebrated periods.

STATEMENT OF KARL BITTER, SCULPTOR, EX-PRESIDENT NATIONAL SCULPTURE SOCIETY, REGARDING WORKS OF ART.

SATURDAY, *November 28, 1908.*

Mr. BITTER. Mr. Chairman and gentlemen of the committee, I simply wish to indorse the views that have been expressed by the

other members of the Free Art League who have spoken before you, but, on behalf of a number of sculptors—and I may say a very large number of the foremost sculptors of our country—I wish to say that they do not desire protection; that they interpret protection more as seclusion.

If, as has been mentioned before, our art is perhaps a young art, it would be the worst thing we could do to exclude the art of other people from us. It would be very much like taking a boy and keeping other boys away from him. The only way in which our art can grow and become a national art is by measuring itself with other art; by seeing other art. That art atmosphere which is enjoyed by the national art of the various nations of Europe is the very thing we desire. We want great exhibitions here of contemporary art. We want to have our museums filled with the best things that past periods of art have produced, and the only way by which we can avoid these "bronze horses," that have been referred to, is by allowing intercourse with foreign art. We can then produce better things, but it will never be done if we keep away from our country those things to which we are entitled and which will never come under a very heavy tariff. I can only emphasize the fact that that protection is not wanted by those who are really entitled to speak as artists and sculptors. It is just the opposite. We feel that the moment you facilitate the importation of works of art you will create an increase in the demand for art, and this will be a great benefit, apart from the lesson that we artists will derive otherwise from measuring our powers and skill with those of European artists. That is all I desire to say.

**STATEMENT OF CARROLL BECKWITH, PAINTER, VICE-PRESIDENT
FOR NEW YORK OF THE AMERICAN FREE ART LEAGUE, RELATIVE
TO FREE ART.**

SATURDAY, *November 28, 1908.*

Mr. BECKWITH. Mr. Chairman and gentlemen of the committee, the day has passed in this country when we are pulling up stumps and doing chores. The fortune of America is made, and to-day we must be classed among the cultivated people of the world, and in that cultivation, gentlemen, art stands at the top. It is one of the great influences in the elevation of high thought and of culture, and as such it can only improve by having the best methods of the world.

I am a painter and I learned from those who preceded me. The fact that a Rembrandt may be brought into this country is of great benefit to me and to my fellow-workers. The painters are not idealists; we are not rainbow chasers, but practical men of labor, who strive to elevate in our country culture and high thought. Can we work well if you gentlemen prevent us from seeing the great masterpieces of the world which enable us to improve ourselves? Can we? It is not only your duty, gentlemen, but it is your privilege to enable us to elevate ourselves and to enable our country to elevate itself. You have the opportunity of enabling us to bring into this country the works of Michelangelo, of Rembrandt, of Raphael, Van Dyke, and others. We ask that you will take off this tariff which we object to, which curbs us, and which builds a wall around us and

prevents our developing ourselves. We American artists are men who represent what we feel is culture and talent and which you know elevates our civilization, and do not forget at the same time that there is a practical side to this question; that every part of the industries of our country are dependent indirectly upon art; that the very design upon the wall papers, upon carpets, upon the oil cloths, upon the curtains, and the silks are developed by the artistic taste, and it is only through your artists that they become valuable in the markets of the world.

Therefore, I urge the removal of this duty.

Mr. COCKRAN. You would go further and say that objects of art are reflected in furniture, and in buildings, and in almost every industry that is used in this country?

Mr. BECKWITH. Yes, sir; in every industry. If you will pardon me a moment, I desire to make an illustration. An American girl designed on a piece of cotton a goldenrod. The piece of cotton sold for 4 or 5 cents a yard, while her design, the result of her mentality, printed on that cotton, which cost 4 cents, resulted in its being sold in the market for 75 cents a yard. Through her artistic intelligence, through her brain, that piece of cotton was made more valuable. That is why art is useful to us, and that is why you should help us to get art and have good art in this country.

**STATEMENT OF ROBERT UNDERWOOD JOHNSON, ASSOCIATE
EDITOR OF THE CENTURY MAGAZINE, NEW YORK CITY, WHO
WISHES DUTY REMOVED FROM WORKS OF ART.**

SATURDAY, *November 28, 1908.*

Mr. JOHNSON. Mr. Chairman, and gentlemen of the committee, I come here to-night in two capacities, one as secretary of the National Institute of Arts and Letters, which is composed of prominent and representative men, painters, sculptors, literary men, composers, and others. It contains the most famous names in American art in its membership. It has three times memorialized Congress in favor of free art. Our resolution, passed last week, the 20th of November, has already been presented to the committee. I also appear here as representative of The Century Magazine, and I believe I am speaking in a representative capacity for all of the illustrated magazines, although I have no authority from them.

Twenty years ago Mr. Gladstone said that the political interests of the world had been transferred to America. We are now in a period of communication with the world as a world power, and we can no longer maintain our provincial position as the excluder of the art of the world from our shores. I hope that the result of this committee's deliberations and of the deliberations of the Congress which shall have charge of this bill—whether it be the present Congress or the next—will be to place the United States in the position which it ought to occupy on this subject, and will in due time be the beginning of a great career which will make America the Mecca of art lovers, as Italy, France, and England have been the Mecca of art lovers heretofore.

In my opinion there are simply three points to be discussed with reference to the question of the tariff on art.

First, the principal objection has been for a long time that art was a luxury of the rich and as such ought to be taxed like champagne and diamonds. I maintain, on the contrary, that art should be regarded as a luxury of the poor and of people in moderate circumstances, and if any member of this committee doubts the propriety of that attitude let him come to the Metropolitan Museum in New York or to the Boston Art Museum or to the Chicago Museum on a Sunday afternoon or on one of its other holidays and he will see there thousands of people of all stations—the rich, the well to do, most of all, the poor—flocking to the galleries in order to obtain amusement, education, and inspiration. I hope this committee will bear in mind that consideration—that art should be regarded not as a luxury of the rich, but as a luxury of the poor. In this hospitable country of ours we do not know where the next great artist is going to be found. Who would have said fifty years ago, when a French immigrant with an Irish wife arrived in New York almost in poverty, that the result of the art education of the infant child whom they brought with them would be the masterpieces of the American, Augustus St. Gaudens? Who knows where to-morrow's great artist is to come from, or the artists of next year, or the artists of ten years from now? What we want is that the conditions thrown about them shall be favorable to the development of art and the art instinct.

Secondly, I wish particularly to urge upon this committee one consideration which I have never seen set forth anywhere, and that is that free art is in the interest of rural communities. Why, you would think to hear people speak of such things that nobody wished free art in this country except the people of the large cities, such as Boston, New York, Chicago, St. Louis, and San Francisco; but it is the small cities and towns, the rural communities, the people who can not get their inspiration of art by travel abroad, who are entitled to the consideration of their Government in this respect.

Plans of large importance are being set on foot to improve the condition and happiness of our farming population, most of whom are virtually anchored to the soil. One way to help the farmer is to give him a chance to see good painting and sculpture. To judge from the phenomenal growth of interest in art throughout the country it is only a question of time when no State of the Union will be without its gallery of art as a center of influence, accessible by rapid transit facilities. This time may be greatly hastened by the abolition of the duty on art. Now museums must be founded and sustained by rich men, and these men should be encouraged to import canvases that they may have the more to give or bequeath to the local museums, which will be sustained by State and municipal pride, of the sort which is characteristic of Boston, where, they say, it is not considered decent for a rich man to die without leaving a bequest to the art museum and Harvard University. A new spirit has taken hold of our men of large wealth, and they should be encouraged in their benevolent intent to give or leave their treasures for large public uses.

Now it is not without knowledge that I have just spoken of the phenomenal growth of the popular interest in art. It is one of the

most promising signs in our current progress. The education of the people of France in the love and the production of beautiful things is one of the chief bases of its prosperity and happiness. Our people are hungry and thirsty for beauty. As an example of this I may mention that as a friend of the distinguished French painter, Mr. Maurice Boutet de Monvel, I have had the determination of the various places of exhibition in this country of his well-known collection of water-color paintings depicting the life of Joan of Arc. Brought over first of all by the Buffalo Art Gallery, these pictures, by permission of the Treasury authorities and of the bondsmen, have been exhibited also at the Herron Art Museum, Indianapolis; at the Museum of Art, St. Louis; at Pratt Institute, Brooklyn; at the College of the City of New York; at the Providence School of Design; at the Detroit and Toledo museums; and, now, at the Telfair Museum at Savannah. In every city the school authorities have been invited to avail themselves of the æsthetic and historical influence of these beautiful pictures. I have been obliged to decline requests from Grand Rapids, and Madison, Wis., and other cities. The educational value of this peripatetic exhibition upon citizens and school children has been immense.

Again, The Century Company for many years has maintained a series of collections of drawings by leading American illustrators, and the American school of illustration leads the world, which are loaned to various art and women's clubs, to colleges, and small museums. The number of the pictures thus in circulation, shifting about from time to time, is 850, besides permanent loan collections of 550 pieces, in all, 1,400. The response of interest and appreciation which we get from small communities, particularly in the Middle West, is incalculable, and we have many requests with which it is impossible to comply.

These are but two evidences among many of the extraordinary and growing popular interest in art throughout the country. To make over this public interest into public taste we need the standard of the best art. No one is asking Congress to build up museums in every part of the land. They will be built up by private hands, if Congress will only keep hands off. Was it not Schiller who said: "Das Gesetz kann nur uns Freiheit geben" (Law can only give us freedom)? It is this freedom to grow which will ultimately make American art something to be as proud of as we are now proud of American invention.

This brings me to my third point: How are we to obtain the standard that is to direct this public interest into public taste? It is said that there ought to be a specific duty to keep out the trash of Europe. But let it be remembered that trash is not formative of public taste in any degree comparable to the great art which would be admitted by the entire abolition of the duty. If trash were decisive, we should now have nobody of educated artistic taste. It is seeing the best that cultivates the taste, not refraining from seeing the worst. Taste never goes backward. One may advance from the lower forms to the higher, but no amount of bad art can rob one of his admiration for Michelangelo or Rembrandt. Moreover, the work of many a great painter has in the beginning been regarded as trash. Our art will be the better for free acquaintance with contemporary art as well as with that of the great painters of the past.

In conclusion, is it not something for America to be proud of that the great body of her artists, like her writers, do not come to you asking for an artificial barrier against their foreign comrades, but with self-reliance and confidence in themselves? If you consider it materialistically, the writers compete with the literature of all ages and if you are going to consider a writer as a lame duck to be coddled and helped, you must put a tariff on Plato and Shakespeare. But you will not, for you recognize the higher uses of art and literature that give glory to a country. Every great age in art, whether of Greece or Italy or France or England, has followed a great commercial age, and there are already signs that the same sequence is to be ours. Art is long, and this may be a hundred years away, but come it must. The production and the appreciation of good art go hand in hand. Congress can aid both by removing the national handicap of this onerous tax.

STATEMENT OF LOUIS R. EHRICH, OF NEW YORK CITY, WHO WISHES WORKS OF ART ADMITTED FREE OF DUTY.

SATURDAY, *November 28, 1908.*

Mr. EHRICH. Mr. Chairman and gentlemen, I had intended to present some views to the committee from the standpoint of an art dealer on the side of free art, but I understand that my friend Mr. Townsend has handed in to your committee this afternoon a brief which he has just permitted me to read, in which he makes the proposition that the present law should be modified, the present law being an ad valorem duty of from 15 to 20 per cent. He asks that it be modified so that there shall be a specific duty of \$100 on every work of art executed in the last one hundred years.

Mr. Townsend is in the room, and I understand desires to speak to that proposition, and I would suggest, if you please, that you permit him to speak and then permit me very briefly to reply to his argument. It seems to me it will give greater sequence to what I have in mind. If you will allow Mr. Townsend to speak now I will be glad to make some reply to his suggestions.

The CHAIRMAN. Very well.

STATEMENT OF JAMES B. TOWNSEND, REPRESENTING THE AMERICAN ART NEWS, WHO RECOMMENDS A SPECIFIC DUTY ON ALL WORKS OF ART.

SATURDAY, *November 28, 1908.*

Mr. TOWNSEND. Mr. Chairman and gentlemen of the committee, I appear here as the editor of the American Art News, the only weekly art journal—in fact the only American art newspaper now published—and as a representative of a number of artists and sculptors; it is not necessary for me to read their names, as they appear in their petition.

I am not necessarily myself opposed to free art. My theory is that the most intelligent people who have looked into the subject in a general way favor free art, but it seems to me that those artists that

I represent and my constituency, if I may put it that way, are of the opinion that there must be some limitation, for the present at least, upon the importation of the cheap art of Europe from the fact that its artisans and artists can live much more cheaply there than we do here; and that they have a natural faculty for the production of art, particularly in the south of Europe. They are people who produce a kind of art that is brought in here at the present period at a very low rate and is sold for very large profit, very often having false names put upon their works, to the debasement of the taste of the people of this country and to the encouragement of fraud. After much consultation and much reflection upon this subject these artists and sculptors have asked me to appear here and ask for a specific duty of \$100 on every work of art produced in water colors, pastels, and statuary, not necessarily works in black and white, during the past one hundred years, which safely covers the life of all artists now living. We do not ask you to put a tax on Rembrandt or Vandyke.

Now, gentlemen, one hundred years will not be long for those gentlemen who wish to import pictures here of wealth and value. One hundred years will not shut out any of the old masters, but it will protect the struggling American artists who can not compete with the foreign artists, but will affect such so-called works of art which are bought in Paris for \$25, paying a duty of \$3.75 under the present tariff and sold for \$200 and \$300 in the auction houses of New York and on the streets of our larger cities. The fact that the museums now get their pictures all free, both by purchase and donation abroad, disposes, in my mind, of the argument that you would be injuring the museums. The Free Art League says that a great collection such as Mr. Morgan's in London can not be brought here under the present tariff. The specific duty would only apply to Mr. Morgan's modern works and would not affect the old pictures in his collection.

Why should we not have a specific duty of \$100? Should we be deprived through it in any possible way of getting in free for the American people the work of a great many artists which are imported and which are worth having? I do not wish to dispute and I do not wish to deny some of the arguments that many gentlemen have advanced here; but when they come before you and tell you that all of the artists of the United States are in favor of a removal of this duty, that all the sculptors desire it, I beg to differ with them. It is not a dishonest statement that they make, but it is a misstatement. There are many people in this country who, rightly or wrongly, do not believe in taking off the duty from art. I do not say that I agree with those people. I myself believe, if possible, in free art; but I can see no objection to this substitute of a specific duty of \$100 during the last one hundred years.

Mr. COCKRAN. I would like to ask if you are going to file this petition with names of subscribing artists and sculptors.

Mr. TOWNSEND. I certainly am, and a brief, and will add more to them.

Mr. CLARK. Would not that specific duty of \$100 shut out nine-tenths of all the pictures that are brought in?

Mr. TOWNSEND. No, sir; none of any importance. It would not shut out any good pictures whatever.

Mr. CLARK. Is it not true that there are not 100 men in the United States who can tell a copy or a forgery of the work of an old master from the original?

Mr. TOWNSEND. I would hardly say that.

Mr. CLARK. How does it happen that they work them off?

Mr. TOWNSEND. It is because of the general ignorance of art in this country.

Mr. CLARK. How about the experts; why do they not decide whether or not it is a forgery?

Mr. TOWNSEND. It is the same principle as exists between doctors; the experts disagree. It is very difficult to get experts at this time who can be relied upon.

The CHAIRMAN. It is a matter of such difficulty that even experts disagree on it.

Mr. TOWNSEND. Precisely.

Mr. CLARK. Let me ask one other question. Why would it not do a good deal toward clearing the atmosphere if they put a great many of those fellows into the penitentiary who signed fictitious names to those pictures? That is ordinary common swindling.

Mr. TOWNSEND. You have correctly characterized it, but by their adroitness and cleverness they have been able to avoid any punishment.

Mr. CLARK. Does anyone ever have any of them arrested?

Mr. TOWNSEND. No, sir.

Mr. CLARK. There is ample law to cover that point.

Mr. TOWNSEND. Not under the statute in New York.

Mr. CLARK. The statute in New York must be the same as the statute in Missouri. There it is made a penitentiary offense to get anything under false pretenses.

Mr. CALDERHEAD. Under your provision what would become of the works of Reynolds and Turner?

Mr. TOWNSEND. They would all come in free—Turner not for two or three years because he lapsed over into the eighteenth century.

STATEMENT OF LOUIS R. EHRICH, IN REPLY TO PROPOSITION FOR A SPECIFIC DUTY ON WORKS OF ART.

SATURDAY, *November 28, 1908.*

Mr. EHRICH. Mr. Chairman, I desire to reply to Mr. Townsend. The proposition is that all paintings executed within the last one hundred years shall come in under the specific duty of \$100. Now, as the articles that I import are the works of the old masters, painted prior to one hundred years ago, of course I have no direct interest—a monetary interest, at least—in that proposition, but I should oppose it, none the less, tooth and nail. I should prefer to see the law stand as it is, because I think that such a proposition would be founded on the grossest injustice and that it would be class legislation of the most pronounced and most outrageous type. It seems to me that this argument lies on the very surface. A man who can spend \$5,000 or \$10,000 or \$20,000 for a painting has only to pay \$100 for a modern painting. That to him is equivalent to nothing. To the man in moderate circumstances who wants to buy a picture which he has

seen abroad, and which happens to cost \$50 or \$25 to him, less duty, it is absolutely prohibitive. It seems to me the injustice stares one in the face. But, says my friend, Mr. Townsend, in his brief, and also orally this evening, the rich man brings over art and the poor man brings trash. Now, it is pretty hard to define trash in art, and I would maintain that the price is no more a just criterion as to the value of an art work than that wealth measures a man. In fact, it can be said—and I can cite a number of instances to prove—that the cheap, low-priced, so-called trash of one generation becomes the high-priced gem of the next.

There is continuing in New York to-day an exhibition of the works of the famous French impressionist, M. Renoir. The Metropolitan Museum of Art purchased one of his paintings last year for \$18,000. Now, we have M. Renoir's own testimony that some thirty years ago one of the finest pictures he ever painted was sold at public sale in the Hotel Drouot for 225 francs (\$45). M. Renoir bought the painting himself, having succeeded in borrowing the money for the purpose. An offer of 100,000 francs has been refused for that very painting. About forty years ago eight "Corots" with their frames were sold in New York City for \$1,600. In all probability every one of those examples would to-day at public sale bring at least \$10,000.

So far as the American artist is concerned, I would contend that it is decidedly to his interest that every man shall bring in unrestrainedly whatever he desires to bring in. Let him buy a chromo if that is his art level; because he has then at least begun to put his foot upon one of the rungs of the ladder of art. He has started to climb. And it is in that climbing process that the American artist will finally realize his patronage.

Mr. GAINES. Tell me what definition you give to art, so that the custom-house officer might enforce the law.

Mr. EHRICH. My own definition of art would be that art was the human interpretation of beauty.

Mr. GAINES. How does the custom-house officer know how to distinguish what is free and what is dutiable? Is there anything in the regulations on this subject? I am myself inclined to believe in free art, but I do not know what kind of language would be definite enough to enable the custom-house officer to comply with the law.

Mr. EHRICH. The law as proposed?

Mr. GAINES. How is he to determine what shall come in and what shall not come in free?

Mr. EHRICH. I suppose that any imaginative conception of beauty, whether presented by a picture or a landscape, or what not, would be considered an attempt at art. Whether it is art or not the generation must decide.

Mr. CLARK. Suppose you should strike one of these appraisers with that proposition, what would he do about it?

Mr. EHRICH. He would probably resign his position.

Mr. COCKRAN. You can not use the language now to describe the articles on which 30 per cent is collected.

The CHAIRMAN. You can describe it. It is contained in the Wilson bill and in the present law.

Mr. EHRICH. Now, if you will permit me, gentlemen, I will say that it is decidedly to the interest of the American artist that every man

shall bring in unrestrainedly what he desires to bring in; let him buy a chromo, if that is his idea, because he has then begun at least to put his foot upon one of the rounds of the ladder of art. He has started to climb. It is in that climbing process that the American artist will finally realize his patronage.

Mr. RANDELL. Would you want to include pictures made for advertising?

Mr. EHRICH. Yes, sir; if he likes it as his business. It might be trash to you or to me, but it may be a source of inspiration to that buyer, and the buyer must decide.

Mr. RANDELL. How about advertising purposes—the use of pictures for advertising purposes?

Mr. EHRICH. I think the pictures such as the Pears Soap Company have circulated are the reproduction of a great work of art.

Mr. RANDELL. Would that not interfere with the industry in this country? It is the industry of advertising.

Mr. EHRICH. Of course, if it can be shown that it is pure advertising, and not art, I suppose the discrimination could be made.

STATEMENT OF THOMAS NELSON PAGE, WASHINGTON, D. C., WHO THINKS WORKS OF ART SHOULD BE DUTY FREE.

SATURDAY, *November 28, 1908.*

Mr. PAGE. Mr. Chairman and gentlemen, it seems to me that in the discussion which has taken place between the last two gentlemen, Mr. Townsend rather answered himself when he was asked the question as to why experts make so many mistakes or were deceiving the public so easily. He said that it was because of the absence of knowledge of art in this country. I think what we need here is a little more knowledge of art in this country, and I speak, as Mr. Underwood Johnson suggested, for a big country constituency. I am a countryman. I have a little veneer of the city on me, but deep down, and not very deep down either, I am a countryman.

Yesterday I was in a small free school down in Virginia—a little industrial school—and I went in to see those children there. I have never seen greater improvement than has taken place there in the last few years, and it occurred to me to look over some of their readers, and I took up a little reader and turned it over, having some of those children read for me—the children of my neighbors there—and I came on a picture in this book. It was called the “Song of the Lark,” and the children there were very much interested to know that the lady who had established that school had given the “Song of the Lark,” together with a great many other pictures in a very fine collection, to the city of Chicago for the Art Museum there, which is represented so worthily here by the president and secretary to-night.

Now, gentlemen, I want to add that simply as an illustration and to show that all the works of art that come to this country—substantially all of them within a generation or two—get into the museums. One gentleman has said that Mr. Morgan and others fail to bring over their works of art that they buy abroad because you have a tariff on them. That might be a problematical question simply as

to why they did fail to do it. They have brought a great many of them here; they are as generous as they can be. They donate all sorts of works of art to the museums. The big museums are all filled with them and there are a great many of them that would come on if they were allowed to bring them in without having to pay this additional tariff.

We claim in this country to be the very leaders now in advance. No man can speak of art without thinking of Greece. Greece had two passions, one was the passion for liberty, and the other the passion for beauty—the passion for art. No man can speak of art who knows anything of the history of the past without thinking at once of the art of Greece. The art of Greece is just as noticeable in this room and in this building and in all these buildings here as it is in Athens to-day. She impressed herself on the whole idea of beauty from that time on. She had the passion of liberty and the passion of beauty. We have inherited the passion of liberty; we are the inheritors of that and yet a thousand years or two thousand years hence, or half that time, if in looking back to Greece, some one reading the history of this country should say "What was America—the United States of America?" it would be said, "They prided themselves on what they were doing; they were the wealthiest nation on earth; they expended a billion dollars a year." "But what did they do? Were they a civilized nation or not?" "Well," they would say, "they had a tariff on art; they excluded the articles of art—pictures, sculptures, and books of art." That would be enough for the future to say, that we were a barbarous country.

Now, gentlemen, it is not the people in the city, as Mr. Underwood Johnson has suggested, but it is the people in the country who need to be educated. These gentlemen who have spoken to you to-night, with the exception of the last two, are not dealers; they have no pecuniary interest in the world in this matter. They are men who have given their time and talents and money and all that they are to the public. I know that most of these gentlemen here have devoted their highest and most mature powers to the education and uplifting of the poor people of the country in the cities. All through this country, in the country districts, what our people need to meet is the very question which Mr. Johnson himself answered here when he said there was such ignorance of art in this country. These children all over the country are asking for pictures, for anything that will teach them, and as Mr. Johnson said about Saint Gaudens, he is only one of a number. We are on the march, we are progressing as fast as we can, but let us not forget the gentlemen who represent the educational side of this matter, because that should be recognized as well as the governmental side. I know that it is not necessary for me to use materialistic arguments to you here. It is only necessary to suggest, however, the need along the materialistic line, even on the pecuniary side, for every picture that comes in adds to the wealth of this country because of the stimulus it gives to the artistic side of the workingmen of this country, and though there may be a few artists who sell cheap pictures and make cheap pictures, who are afraid of competition from the people abroad, they could hardly be considered by the side of artists and people who are lovers of art throughout the whole country. If you go to Italy to-day you will find the young people there carving their work in the clay, having an inherent and natural idea and sense of beauty.

CERTAIN AMERICAN ARTISTS RECOMMEND DUTY OF ONE HUNDRED DOLLARS ON PAINTINGS AND SCULPTURES.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We ask that a specific duty of \$100 be placed on all paintings and sculptures produced by hand during the past one hundred years from date of entry.

The changes in the present tariff regulations, which are contained in the following paragraph, call for a specific duty of \$100 on all art works produced by hand during the one hundred years past from date of entry:

1. 703 (a). Works of art, including paintings in oil, mineral, or water or other colors, pastels, and sculptures.

THE ARGUMENTS FOR A SPECIFIC DUTY.

(a) While it should be the aim of the Government to encourage the fine arts, and while the importation of art works of high character make for a betterment of taste and refinement among our citizens, the Government should not, in our opinion, omit any restrictions to the importation of art works not of high character, which, if admitted free of duty, may have the opposite effect. The artists and artisans of Europe are skilled imitators and copyists of art works, so skilled that they frequently deceive even European experts and connoisseurs. Living more cheaply than can our artists and artisans, they can afford to produce their imitations and copies at a low figure, to sell them also at low figures, and without some restriction these copies and imitations can be brought here and through unscrupulous persons be given attributions and signed with names which are false, with the result that our art lovers and collectors can be imposed upon and large and illegitimate profits made by the sellers of these spurious works.

(b) European artists, especially in the south of Europe, where living is cheap, and where a natural aptitude for art production exists, make a continual and continuous output of cheap and tawdry art works, perhaps now and then having some merit, but for the most part distinctly debasing to taste and uneducational in every way. These productions can be bought and are sold for such low prices that, without any restrictive duty, the country would probably be flooded with them, with resultant demoralization of public taste.

(c) In a country which has not yet had sufficient age to acquire general art knowledge and taste, these cheap productions of Europe appeal, just as did the chromos of a few years ago, and as they could be, without duty, brought here and sold with good to large profit at lower prices than the works of American artists and artisans, the money spent for them would be diverted from the American artist, and the dealer in higher grade legitimate foreign works who can not afford from the higher cost of living in this country to sell for as low prices and live.

(d) The museums and other public galleries, and the dealers' galleries, now found in almost every large American city, the former of

which are enabled to import and purchase art works for exhibition purposes only, and the latter, whose owners pay duty on high grade art works, offer every and all opportunity to the artist for an exchange of ideas and to the public for study and improvement in taste. This disposes, it seems to us, of the argument that artists can not exchange ideas without the free entrance of art works and that our art can not find inspiration from the lack of opportunity to study the art treasures of the Old World. Naturally, the art treasures of the European galleries draw visitors, but no removal of all duties will bring these treasures here, and meanwhile we have our own good and growing museums and other collections. The specific duty we advocate would not deter the great American collectors who buy abroad from bringing here any art works produced during the past hundred years worth the having here, and their old masters would come in free under its provisions.

(e) The above arguments in favor of a specific duty cover, it seems to us, the arguments against any duty from the educational and industrial view points. Free art, while it might bring in some good art works, would, as has been pointed out, bring in also a greater proportion of poor and cheap work; and these art works not now here or which can not be studied through reproductions would not, if obtainable, be kept out by a specific duty.

A SPECIFIC DUTY WOULD BENEFIT AMERICAN ARTISTS.

(a) American artists are not, as a body, in favor of abolition of the art tariff, assertions to the contrary notwithstanding. They are not necessarily opposed to a lowering of the tariff, but many of them, for whom we speak, feel that some restrictions, as argued above, should be placed on the importation of cheap art works from abroad, which, in the absence of any general art taste and knowledge, are bought by Americans, often in place of good American pictures.

(b) The argument that free art will make study in Europe unnecessary to our artists, by providing the necessary environment here, seems to us absurd and contradicted by the very assertions of those in favor of free art that the great museums and galleries of Europe attract throngs of visitors and students. Will we ever get the treasures of those museums and galleries here?

(c) Those American artists who choose to expatriate themselves and live abroad and who complain that the feeling in Europe against an art duty is embarrassing to them, should, we feel, not be quoted so freely in favor of free art. They do not live and vote here.

(d) The argument that a duty prejudices American artists in the eyes of American purchasers by adding an artificial value to imported art works seems to us equally absurd. American collectors, for the most part, buy names, not quality, and we doubt if one in a thousand ever takes the question of a duty paid by the seller into consideration.

(e) American artists pay duty on the materials they use which are imported. They have, as has been said, higher rentals and higher food charges to pay than even their European fellows in the larger cities, and of high reputation. Should they not have some protection? They do not ask that the old and great masters should be taxed. They do not demand a tax on Phidias, Praxiteles, Raphael,

Rembrandt, or Michael Angelo, Holbein, or Van Dyck. All great art that was produced over a century ago under our specific duty suggestion would come in free, and as time advances it will be but a few years when the great painters of the early English school and a little later those of the Barbizon school of France would be duty free. All our artists desire is some moderate restriction upon the importation of what is called "trash"—cheaply produced copies of modern foreign work, or cheap modern foreign work itself.

(f) A specific duty would tend, we believe, to minimize the fraud in the selling of art works at auction and private sale here, which has long existed and will continue to exist even under the present comparative high tariff.

When poor or even skillful copies of the works of the late J. J. Henner can be painted in Paris for \$25 each, be brought here, pay the present duty of 15 per cent, or \$3.75, and then be sold for \$200 to \$300, and the sale chronicled in the public press as that of Henner's, the inference is obvious that the importer and seller of such trash would hesitate to add the specific duty of \$100 to such pictures. This is a concrete example.

A SPECIFIC DUTY WOULD AID AND NOT INJURE THE COUNTRY'S MUSEUMS.

It has been urged that free art would aid our museums, whose educational value through their collections is of course great. As has been said, a specific duty would not deter the owners of great collections, especially of old art works, from bringing in the same and presenting the same to museums, as such collections would for the most part be free and those modern works they contained would pay less duty than now. The museums now are empowered to import art works free for exhibition purposes, and this very year will display a remarkable collection of modern German pictures arranged by Mr. Hugo Reisinger, of New York, which will come in free of duty. So the needs of the museums are not an argument against a specific duty.

ART WORKS ARE WITHIN THEORY OF PROTECTION.

The statement that "the American artist (which is comprehensive) repudiates the art duty and is a most earnest petitioner for its repeal" is not based on fact. Many good American artists indorse the art duty and many others favor the specific duty we urge. There is and can be no competition between a Velasquez and an American painting, and the American artist asks for no protection from the old masters or even their later followers up to a century ago, and, were it possible, to shorten the period for which a specific duty is asked from such painters as the Barbizon men and their contemporaries and followers. He does ask, however, that the product of his brain and hand should have some protection when it goes before persons not having art knowledge and taste as against the trash of modern Europe. Why should an American figure painter, for example, who produces good genius and whose living costs him far more than his fellows of Europe, be obliged to meet the prices which, as detailed above, can be taken for inferior European works? If the American art-loving and art-buying public had the knowledge and taste of those of Europe, where Rembrandts are auctioned off for \$5, but not

to collectors, understood quality, and were not deceived by cheap and tawdry color and tricks of painting, the question would be a different one. We must wait for better education in matters here before we refuse to aid with a specific duty the American artist who, through his good work, is striving to better this taste.

A SPECIFIC DUTY WOULD NOT DECREASE THE REVENUE FROM ART.

While the question of whether or not the Government should derive a revenue from art importations is a serious one, its discussion does not lie within the province of this brief. We contend, however, that a specific duty would, from the figures of the art importations since 1897, bring in probably as much as the Government has received under the tariff since that date. Those who hold that art is a luxury of the rich and should be taxed accordingly would not probably object to a specific duty, which would remove part of their objections at least.

It is urged that Congress should put art on the free list because the whole country is in favor, it is asserted, of such action. This we deny, and are surprised at the boldness of such an assertion. We claim that the 500 so-called "directors" of the Free Art League, although they include some distinguished names, do not necessarily, as is also claimed, "represent the sentiment of the entire country."

The specific duty we urge would, we believe, satisfy, especially after study of its practicability, a majority of the citizens of the country interested in the question, a large proportion of the artists of the country, and the dealers of the country, with very few exceptions.

We deny that "the newspapers of the country are a unit in favor of removal of the duty." While many journals have declared in favor of such removal, we believe that this declaration was made before the suggestion of specific duty was made, without due reflection or knowledge and study of the conditions and on misleading and prejudiced information. We would call attention to certain interviews, with the dealers of Boston in particular, published in the American Art News of November 28, which art journal itself advocates our suggestion of a specific duty, as an evidence that the dealers and newspapers of the country are favorably disposed to a specific duty, and our signatures evidence that we, with those who feel with us, and many American artists, attest the belief of American artists in such specific duty.

Respectfully submitted.

JAMES B. TOWNSEND,

For certain American artists, whose petition follows.

NEW YORK, *November 20, 1908.*

WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: The undersigned American artists respectfully ask the consideration of your committee on the revision of the tariff to the proposition to substitute for the present ad valorem duties on pictures and sculptures a specific duty of \$100 on each imported painting in oil, water color, or pastel, painted within the past one hundred years, or one hundred years from the date of entry.

This specific duty we believe would bring as much revenue as the present rates and at the same time keep out the trash and poor art, as well as the copies of good pictures brought in and sold as originals afterwards.

The period of one hundred years would safely cover the life and works of modern painters, whose works are most often copied and sold as originals, and would protect innocent buyers and not in any way prevent the importation of good pictures.

A. T. Van Lauz, J. N. Marble, D. J. Gue, William H. Howe, Reynolds Beal, Eugene Mulertt, Bayard H. Tyler, William G. Watt, George M. Seeds, E. M. Bicknell, Frank A. Bicknell, Amy Cross, Augustus Pikeman, Cullen Yates, William Chadwick, Gifford Beal, I. Scott Hartley, F. K. M. Rehn, E. Loyal Field, Charles F. Gruppe, G. Glesser Newell, C. H. Sherman, Edward H. Potthast, W. G. Schneider, William Verplanck Birney, William S. Robinson, V. Grantly Smith, Frank De Haven, Gustave Wiegand, George H. Smithe, J. G. Brown, Charles M. Shean, William K. Amscken, Francis Day, Charles Frederick Naegele, Theodore K. Pembroke, Benjamin A. Haggin, F. Melville Du Mond, Rhoda Holmes Nicholls, Frederick V. Baker, Maurice Fromkes, Clara Weaver Parrish, Alethea Hill Platt, Robert David Ganley, William Cotton, Earl Stetson Sanford, E. Irving Couse, De Cost Smith, Isidore Konti, Victor D. Hecht, S. Montgomery Roosevelt, R. W. Van Boskerck, C. E. Cookman, A. C. Friedrich, A. Muller Ury, Louis Paul Dessar, Frederick Ballard Williams, Henry Ranger, John H. Fry, G. Timken Fry, Albert L. Groll, and C. Brower Darst.

CHARLES J. TAYLOR, NEW YORK CITY, FILES BRIEF IN ADVOCACY OF RETENTION OF DUTY ON WORKS OF ART.

NEW YORK CITY, *November 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Believing that an effort will be made to have the duty on works of art removed, I herewith present to your committee a protest against such removal. A petition for the free entry of such merchandise having been extensively circulated and generously signed by artists and others is the reason why I have taken upon myself the liberty and the privilege of addressing to you the following brief:

1. An artist is a workman. It does not take much reading to see that in the days when painting took on its most glorious progress an artist was but a workman and painting a trade. It was as much of a trade as well digging, tiling, or cordwaining. When a painter got a job of work his employer might be a princeling or he might be another hireling like himself. Titian worked for a prince, Maroni for a tailor; and both patrons got excellent service in return.

Painting was then a busy and thriving trade, and under the stimulating direction of distinguished people it advanced in Italy to a noble pursuit. Popes, cardinals, princes, did their best to forward and protect the craftsmen who had undertaken the decoration and beautifying of the churches, the palaces, and the homes. Some painters got to be very well thought of, and some had the good fortune of marrying into the families of potential citizens. The painter in the beginning was looked up to in much the same way as a first-class steel craftsman is looked up to in one of our steel towns to-day. This is not an inapt or ungenerous simile when it is remembered that many of the great painting centers in Italy were not as large as is Newark, N. J., and were probably on no higher general intellectual level.

Rafael called the place he worked in not a studio, but a bottega—a workshop. The studio of those days was just a common shop; and the boss, or head painter, had bound apprentices whom he employed in grinding his colors, cleaning his palettes, sweeping his rooms, and washing out such other and necessary articles as went with the civilization and comforts of the golden renaissance.

A writer on this subject has well said:

In fact, any distinction of artist or workman was altogether unknown. It was to this we owe the basilica and the cathedrals, the palaces of Venice, and all such innumerable works as have come down to us from those centuries, and which are to-day the pride of civilized Europe.

Briefly put, the artist was a workman, as he is to-day a workman.

2. This workman produced a merchantable article. We are always pointing to the glorious work of the old masters. When a painter workman becomes dead and his further output is ended his work advances into the realm of rarities and takes on an enhanced value; but before this immortal stage has been reached, when the workman is turning out his product, his art, if it is anything at all, is a handicraft, and the work is of ordinary or extraordinary merit, as the time, place, and price call for. It is just the same as it is with the rug weavers of the Orient. It is all in the day's work. If the workman is feeling good and the job pleases, the work is of a higher value. Since paintings have become movable the term "art" has had much use, and we occasionally hear of motifs and temperaments. In the days of the very old masters the only movable paintings were done on backs of chairs, on linen closets, musical instruments, bedsteads, and many other more or less useful objects, and these products were sold from the painters' shops, to be sold again and again in the market places of the various towns, and many in all probability brought less than some of the rugs the roystering cavaliers wiped their boots on. The movable picture, with its frame, was then unknown, but if it had been it would have been looked upon just the same as was the work done on my lady's table.

The artist is always a workman, and he produces a something which is merchantable, something which is bartered and sold in shops, as are rugs or laces or any of the finer products in which considerable taste and skill are shown.

3. An academy of art, so called, is nothing but a trade school where the apprentice is taught to be a good, conventional workman and is shown how to produce forms that are acceptable in the market place of the exhibitions.

To-day many a young artist would feel indignant if he were told he was only a workman; but from an economic standpoint that is all he is. It does not take much of a thinker to hit upon the thought that, no matter what a painter may call himself, he is still a workman. The painter-workman has, it is true, to-day in many cases ceased to be the artist he was, but in spite of our trying to separate the beautiful from the useful, calling our workshops "art academies," the fact remains that schools of art are but schools of trade where apprentices are molded into craftsmen in much the same way as they were educated in the workshops of old. They are initiated into all the legends, the recipes, and the jargon of the craft. All schools are conventional, are tradition bound, and academies of art are as conventional as shipyards.

The general and the main idea is to mold an apprentice so that he may become a useful workman, who will be able to produce work which when placed upon the walls of the academy, or market place, will catch the eye of the rich, the whimsies of the ostentatious, the vanity of the vulgar, or, at least, the applause of fellow-workmen who have been brought up in the same school and who desire to perpetuate its traditions and advance its esprit de corps. An exhibition of works of art is nothing but a display of wares in which the main hope is to make sales.

In days gone by, if a painter settled in a town whose art market was ordered and conducted by a monopoly called a "guild"—and if the guild had some saint's name stuck to it, so much the better for its purpose—that painter had to conform to the rules and regulations of that guild or he had to get out of the place. These men worked for bread and butter just the same as we do and they protected their market.

Is art now less of a trade than then? I think it can be truthfully said that art is now more of a trade than ever; and it is not unnatural in these days of keen competition that art academies should try to direct trade into the channels which they have made and locked. It is right that they should desire to promote the welfare of their members who add luster to their schools. These academies protect themselves and their progeny. If this is a protection country and that our policy, and under which we have made such wonderful progress, why should the duty on paintings be removed in order to allow the foreign output to come in and find a market here? It has been said that a "foreign label sells the wine." This is true. And it is true that a foreign label sells the painting.

If it is intended that foreign art shall come in free so that our museums may have their walls covered by an art that will serve to direct the tastes of the coming generations into the conventional, then the present Dingley bill provides for this. If it is the purpose of removing the duty on works of art so that our rich people may have the "label" at a lower figure, then I say "no." The painter is a workman, and this being the case, he must be protected if that is the policy of our land. What the painter abroad produces is a merchantable article, and as such should be liable to duty just the same as rugs or any other luxury of artistic intent.

It can not be said that free art from abroad is necessary for the advancement of art in this country any more than it can be said that it would advance the art of China or Japan or Holland. When it is

seen how far we have advanced in the art of painting in a few years, and under a protective tariff that has built up a class of patrons who buy and appreciate American art, no one can truthfully say that protection has been a deterrent of art. If, however, it is claimed that it is necessary to have art come in free so that we may ever follow in the conventional footsteps of the old workmen, then I beg of the House of Representatives of our Congress to see that a bureau of art is established somewhat on the lines of our very popular Department of Agriculture, that there may be formulated and published a series of farmers' bulletins, akin to those which are spread before our agricultural brothers, explaining, elucidating, evolving, and proving the various old brands of art in all the vagaries of our large, mixed, and exasperating climate, to the end that the label of everlasting happiness may be stamped upon the pockets of all our painter-workmen and upon the countenances of their patrons, and your petitioner will ever pray.

CHARLES J. TAYLOR.

THE NATIONAL INSTITUTE OF ARTS AND LETTERS URGES ABOLITION OF THE DUTY PLACED ON WORKS OF ART.

NEW YORK CITY, *November 20, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The National Institute of Arts and Letters, composed of representative authors, painters, sculptors, architects, and members of the literary and musical professions, in view of the hearings now being held on the revision of the tariff, takes occasion to renew respectfully and very earnestly its former recommendations and petitions to Congress for the abolition of the duty on works of art. This duty is not only not desired by American artists, but is considered by them obnoxious and antiquated and a handicap upon both the practice and the appreciation of art in this country.

Attest:

ROBERT UNDERWOOD JOHNSON,
Secretary National Institute of Arts and Letters.

THE NATIONAL INSTITUTE OF ARTS AND LETTERS MEMORIALIZES CONGRESS IN FAVOR OF FREE ART.

NEW YORK, *November 21, 1908.*

HON. SERENO E. PAYNE, M. C.,
*Chairman of the Committee on the
Revision of the Tariff, Washington, D. C.*

DEAR SIR: I have the honor to convey to you herewith the resolution adopted at a meeting of the National Institute of Arts and Letters, held at the Princeton Club, New York, November 20, 1908, and to request that you will present this resolution whenever the question of the duty on art shall come before the committee.

Will you have the kindness to acknowledge receipt of the resolution and greatly oblige,

Yours, very respectfully, R. U. JOHNSON, *Secretary.*

The National Institute of Arts and Letters, composed of representative authors, painters, sculptors, architects, and members of the literary and musical professions, in view of the hearings now being held on the revision of the tariff, takes occasion to renew respectfully and very earnestly its former recommendations and petitions to Congress for the abolition of the duty on works of art. This duty is not only not desired by American artists, but is considered by them obnoxious and antiquated, and a handicap upon both the practice and the appreciation of art in this country.

Adopted November 20, 1908.

Attest:

ROBERT UNDERWOOD JOHNSON,
Secretary National Institute of Arts and Letters.

**IOWA CHAPTER, AMERICAN INSTITUTE OF ARCHITECTS, PRAYS
THAT TAX ON CIVILIZATION BE REMOVED.**

CEDAR RAPIDS, IOWA, *November 23, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: Inclosed please find a petition from the Iowa Chapter of the American Institute of Architects for the removal of duty on works of art, which we earnestly hope will receive your attention.

Cordially, yours,

EUGENE H. TAYLOR, *Secretary.*

CEDAR RAPIDS, IOWA, *October 21, 1908.*

To the Honorable Senate and House of Representatives in Congress assembled:

The Iowa Chapter of the American Institute of Architects, at its sixth annual meeting in the city of Cedar Rapids, Iowa, respectfully petitions for the repeal of the duty on works of art.

We believe that perfect freedom is necessary for the highest development of art in this country, and inasmuch as progress in art has ever been the test of progress in civilization, we feel that it is the duty of Congress to do whatever is within its power to promote the development of art. As one civilization bases its advance on the highest traditions of former civilizations, so the art of one country grows out of the art of the countries of the past. Greek art proceeded from Assyrian and Egyptian art. Rome learned her art lessons from Greece and Etruria. France borrowed from Italy. If America is to attain to the highest, she must profit by the lessons in art which only the Old World can teach her. If we place a tariff barrier against these lessons, it is obvious that we are shunning the light and stultifying our growth.

We pray that this tax on civilization may be removed at the earliest possible moment.

Respectfully submitted.

HENRY FISHER, *President.*

EUGENE H. TAYLOR, *Secretary.*

Iowa Chapter American Institute of Architects.

**HENRY L. HIGGINSON, OF BOSTON, MASS., STRONGLY FAVORS
REMOVAL OF DUTY FROM PAINTINGS AND STATUARY.**

BOSTON, *November 24, 1908.*

HON. SERENO E. PAYNE, *Chairman.*

DEAR SIR: I am notified of a hearing before the Ways and Means Committee on the subject of "free art."

Being unable to go to the hearing, I ask leave to add my urgent request and strong hope that we dishonor ourselves no longer by laying a duty on paintings or statuary or art objects of any kind. These objects educate our people, which is the saving grace of the nation, and which is necessary in art as in other things. Of course people seek art objects for their own pleasure, but as they can not destroy them in any way, the usual result is that they drift into museums or schoolhouses and become the property of the public. We know that a good many objects of art are kept out of this country because of the duty, and this on account of the sense of injustice by the Government toward the art holders as well as on account of the money. Many people can not pay for a picture and the duty, too, and therefore do not buy it. We have enough articles of luxury which can be taxed without recourse to art objects, and I hope very strongly that Congress will, in its wisdom, make laws in favor of free art.

Very truly, yours,

HENRY L. HIGGINSON.

**VICTOR G. FISCHER, WASHINGTON, D. C., WRITES RELATIVE TO
REMOVAL OF DUTY FROM WORKS OF ART.**

WASHINGTON, D. C., *November 24, 1908.*

HON. SERENO E. PAYNE,

Chairman of the Ways and Means Committee.

SIR: By request I beg to send you the following letter regarding free art. The late Secretary of State, Col. John Hay, told writer of this, "that the late Mr. Dingley never favored duty on art. By a subterfuge a certain Mr. Donaldson appeared before the commission then, in favor of such duty, and it was unthinkingly restored without anybody having a particular interest in it. As a revenue it amounts—comparatively speaking—to little, and the harm it has done educationally and otherwise can not be expressed in mere figures." These were Secretary of State John Hay's words.

The President wrote me the following confidential letter November 18, 1904:

MY DEAR SIR: I am directed by the President to acknowledge the receipt of your letter of the 17th instant and to say as soon as he takes up the tariff question he will recommend that the duty on works of art be abolished.

Very truly, yours,

WM. LOEB, JR.,
Secretary to the President.

Three days ago the President gave me permission to use this letter with the additional expression of his being unqualifiedly for absolute removal of duty on art. Furthermore, it is well known that the President-elect is of the same opinion, that the Senate almost unani-

mously, and the House to a large degree, are of the same mind in regard to the favorable action on that item.

Most respectfully,

VICTOR G. FISCHER,
Fischer Art Galleries.

C. H. BAYLEY, BOSTON, MASS., FAVORS GOVERNMENT REGISTRATION FOR ALL CLASSES OF PAINTINGS.

BOSTON, MASS., *November 24, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I note that a hearing is to be given on Saturday, the 28th, to those who are advocating lower duties on free art.

This is a subject in which I am very much interested, and, as I can not be present, wish to give my opinion in the form of a letter. I have studied this subject for several years, have bought more or less paintings and other works in this country and also in Europe, and feel that the introduction of art objects, whether for public or private use, free of duty will advance the education of the people more than any other measure which the Government can put forward.

I am also positive, from my acquaintance with a very large number of American artists, that they, as a body, are heartily in favor of the duty being removed, particularly from paintings, for paintings by one artist are distinctly his own and can not be considered to be in competition with others. Therefore the present rate of duty does not, in my opinion, help the artist, brings the Government a very small revenue, and prevents the importation of many valuable paintings, which would be added to our private and public collections. I sincerely hope that this measure for free importation of paintings and other works of art may go through, and at the earliest date possible. I would even take the time and give the expense of a trip to Washington if by doing so I could help this measure along better than by letter.

One additional measure which the Government might pass to the advantage of the artists of the country and also to the general public who buy more or less paintings, is the establishing of registration for all classes of paintings, and this measure would be of the greatest help, financially and otherwise, to the artists. It could, I think, be established by making a branch registry at each government custom-house, where an artist might take his painting, register it, with a description sufficiently complete so that a person would recognize it, and the picture be given a number, and also to bear on the back of the canvas a government stamp, with its registration number. As such would cost the Government almost nothing, it might charge a small fee of, perhaps, \$1, or even register without a fee, and thereafter this picture could not be copied without forgery, and would save to the artist the general copying by inferior and unscrupulous artists which is carried on at present.

It is hardly necessary for me to go into further detail, but this I have also presented to several artists, who are heartily in favor of such a measure being put forward, and so far as I know, it has never

been suggested by anyone other than myself. If anyone connected with the Government wishes to take up the subject to this end, I shall be pleased to render service in getting signatures of the various artists in this part of the country.

Yours, very truly,

C. H. BAYLEY.

JAMES MACALESTER, DREXEL INSTITUTE OF ART, SCIENCE, AND INDUSTRY, FILES STATEMENT RELATIVE TO FREE ART.

PHILADELPHIA, *November 24, 1908.*

HON. SERENO E. PAYNE, M. C.,

*Chairman Ways and Means Committee,
Washington, D. C.*

MY DEAR SIR: I regret that it will not be possible for me to be present at the hearing with reference to the existing tax on art, to be held before the Ways and Means Committee on Saturday next. I am taking the liberty, therefore, of sending you some remarks on the subject made at the annual meeting of the Fairmount Park Art Association of this city. May I add that there seems to be a general consensus of opinion on this subject, and I am sure that public sentiment would support a modification of the existing law.

Yours, very truly,

JAMES MACALESTER.

THE UNITED STATES TAX ON ART.

At the thirty-fourth annual meeting of the Fairmount Park Art Association, Philadelphia, Dr. James MacAlester offered the following preamble and resolution:

Whereas the duty imposed upon the works of art brought to this country is one of the chief hindrances to the cultivation of a finer taste and a more widely diffused appreciation of objects of beauty among the masses of the people; and

Whereas a national association has been formed for the purpose of dealing with this question, including private citizens and the public institutions devoted to the cultivation of art by means of schools, galleries, and exhibitions: Therefore be it

Resolved, That the Fairmount Park Art Association of Philadelphia desires to express its hearty approval of the objects for the promotion of which the American Free Art League has been formed, and pledges itself to aid in every proper way in securing such action from the present Congress as shall place all works of art on the free list.

In support of the resolution, Doctor MacAlester spoke as follows:

Mr. Chairman, the present tax on art is so anomalous a feature of our national legislation that a word or two of explanation will not be out of place. It had its origin in the protective system which has been one of the great dividing principles of the political parties that have been contending for ascendancy from the earliest days of the Republic. It was not, however, till the time of the Dingley Act of 1897 that the present disgraceful tax was laid upon works of art brought into this country. I am not going to raise any issue as to the place which protection should hold in the industrial and economic development of the United States. That is a political question about which, I take it, a considerable diversity of opinion exists in the membership of this association. It has been a burning question in this city and State, and no doubt the high protectionist is ready with reasons why we should "stand pat" on the existing tariff laws. This much, however, must, I think, be conceded by all, that the protective policy has been the chief means of making the United States a great, powerful, and prosperous nation. Within the past generation we have become the richest country in the world. With all this material aggrandizement, the

United States is coming to be politically the power to which the whole civilized world is looking for leadership in international affairs. A short time ago Lord Rosebery predicted that the time was not far distant when the political and commercial center of the world would have passed from London to New York. Now, it is important to take note of the changes in our social conditions which this unexampled growth of the industrial and commercial interests of the country has brought about. We are beginning to have the leisure and the desire for the cultivation of those habits and tastes which follow in the wake of wealth, for those higher and finer things which are the evidences of a more advanced civilization. Art is a native instinct of man's nature; but it has to wait for the time when wealth has been accumulated and is pretty widely diffused before it can flourish and become an integral part of the social and public life of the people. The American people have now reached the position where the possession of the finest works of art is felt to be a necessity, when museums and collections of paintings for the diffusion of taste among the masses are springing into existence in every part of the land; and we are beginning to realize that it is the bounden duty of the state to provide liberally for those elevating influences which art in the widest sense of the term is best calculated to exercise in a community.

In seeking to bring about these conditions we meet with serious difficulties. In the first place, we have not directly inherited the great art of past ages. We must not forget that we are a new people, in a new country, with new problems of human progress to solve. We have had to devote our energies to clearing the forests, breaking the prairies, and building up free commonwealths founded upon the equal rights of all men. These responsibilities have taxed our energies to the utmost. The old nations of Europe—Italy, France, Germany, England—have had for centuries a splendid inheritance in the paintings, the sculpture, the architecture which they count among their most valuable assets. We have had none of these advantages, and so thousands of our people cross the ocean annually, spending millions of money, to see and enjoy these precious possessions. We must not belittle our own art; and, while it is our duty to foster this, we need the influence of the great masters of the past for cultivation, for inspiration, for the public galleries where the masses can go to know and feel their fascination. Now, the absence of these great art works in the United States is an obstacle which can be overcome; but it will take time, and the tax which must be paid to bring them into this country is a hindrance that is discreditable to us as an enlightened and progressive people. I think we have an unquestioned right to have this impost upon the art culture of the nation removed. Does it not seem utterly unreasonable that those things which are so important to us at this time and which we can not produce ourselves should not be allowed to come in without paying a burdensome tax? I suppose the framers of the tariff acts gave little heed to these considerations. The ostensible reason for laying a tax of 20 per cent upon works of art was the protection of American art and artists. This claim could hardly be applied to the works of the old masters, of which I have been speaking. The kind of art which it is most important for us to acquire, the productions of the great artists of past ages, can hardly be regarded as entering into competition with the work of our own artists. What competition can there be between the glorious sculpture of ancient Greece which survives to us only in a few specimens, many of them mutilated, and the work of our native sculptors? Surely the works of Botticelli and Raphael, of Rubens and Van Dyck, of Rembrandt and Holbein, of Reynolds and Gainsborough, can hardly be regarded as entering into rivalry with our own painters; and yet it is these very works that our collectors and galleries are most anxious to secure. From a commercial standpoint, it is possible to regard the contemporary art of Europe as entering into competition with the work of our own artists, but it should be known that the American artists have repudiated the protection which Congress has insisted on foisting upon them. At the time this legislation was enacted they petitioned against it, and they have since made several ineffectual efforts to have it repealed. The republic of art, like the republic of letters, does not desire discriminations of any kind within its realm. What the American artists are seeking is a public with a more cultivated and widely diffused taste for art, and this they know can best be obtained by that knowledge of the work of the great masters of the past as well as of the present time. At this moment a petition is in circulation among the artists of the United States asking for the repeal of the duties on art, which will be signed by every man of any note. In fact, no class of our people is so insistent in demanding free art as the artists in whose behalf it was claimed the present law was enacted.

No doubt the protectionists stand ready with answers to the objections I have put before you. You will be told that works of art that are purchased by, or directly presented to, our galleries and museums come in free of duty. That is true. But I need hardly remind you that the art collections in our museums and galleries have not been acquired out of their own resources. Without an exception, they have come into existence by the gifts and bequests of private citizens. Take, as the best example of this, the Metropolitan Museum of New York, which may now be classed among the great public museums of the world. The splendid galleries of that institution have been created through the munificence of private collectors. Quite lately the Rogers bequest of \$6,000,000 has made it independent, to some extent, of this private liberality, but its future growth must continue to depend largely upon gifts. Our own Wiltach Galleries in Fairmount Park are another example of the same kind. We would not have these but for the liberal spirit of their founder, who wisely provided for their extension in future years by a generous endowment. Then, again, look at the magnificent collections which Mr. Morgan has been gathering in London. He has for several years been the largest purchaser of the finest art works which have been offered for sale in the Old World. He has spent millions of dollars in their acquisition, but he can not bring them to this country without paying a tax which would be in itself a considerable fortune. If we wish to see them we must make a journey to the South Kensington Museums and the National Gallery in London, where they are deposited. Mrs. Gardner, of Boston, had finally to pay the United States Government many thousands of dollars for the privilege of enriching Boston with a collection of paintings which has conferred distinction upon the city. It will be said that rich people ought to pay for such luxuries if they must have them, but that is an answer quite aside from the question at issue. Sooner or later these precious objects of art will find their way to public museums, but the fact will remain that the donors or the purchasers have been taxed to render this possible. This is especially true of our own country, where the Government has not yet reached the stage of creating and maintaining great museums for the public benefit. Meanwhile we must be dependent upon the taste and liberality of our wealthy citizens, and it is surely against public policy that things which can not be regarded as articles of commerce and which can not be produced in this country should be enhanced in value by an impost which has no counterpart in any other civilized land. I do not hesitate to say that this tax is a disgrace to the nation. It will appear still more so when we think of the trifling amount realized from it. Last year it was but a million of dollars—a sum which could be well spared from the vast income derived from our tariff revenue.

Mr. Chairman, I have brought this matter before the association because a national society has just been formed, which is to be known as the American Free Art League. Its object is to create a widespread interest in the conditions to which I have called attention, and to cultivate so strong a sentiment in favor of repealing the tax upon art that Congress will not be unwilling to heed the expressed wishes of the public with reference to these matters and the very general demand for the repeal of the tax upon art. The time seems to be opportune, the political conditions favorable. I therefore move the adoption of the resolution which has been presented.

The resolution offered by Doctor MacAlester, being duly seconded and put to a vote, was unanimously adopted.

**THE PRESIDENT OF BRYN MAWR COLLEGE THINKS A DUTY ON
WORKS OF ART ENTIRELY UNCALLED FOR.**

BRYN MAWR, PA., *November 25, 1908.*

HON. SERENO E. PAYNE,

Chairman of the Ways and Means Committee,

House of Representatives.

DEAR SIR: I beg that you will bring this letter to the attention of your committee, which I understand is now considering the possibility of modifying the tariff on works of art brought into the United States.

As the president of Bryn Mawr College, one of the four most important separate colleges for women in the United States, I come in contact through our board of directors, our faculty, our students, and alumnæ, and the many friends and supporters of the college, with people who represent many different parts of the country, and although I have frequently heard the present prohibitive tariff on works of art discussed, I have never yet heard any person of intelligence or standing in the community defend it. I have heard it frequently said that the tariff on works of art imposed by the United States is one of the things which makes an American blush for his country.

Personally, I feel very strongly on this subject. I have been engaged in the work of educating women for the past twenty-four years, and I am confident that our Government, by placing a tariff on works of art and books written in the English language imported by private persons for the use of themselves and their families, inflicts a serious injury on education in art and letters. Moreover, while the tariff on works of art damages the highest interests of our country, it does this to no good purpose. Many of the most intelligent lovers of art whom I know confidently believe that it would greatly promote the sale of American pictures by American artists painting in the United States if the tariff were taken off foreign works of art, because an enlightened love of art grows by what it feeds on, and Americans able to afford to purchase works of art who began by purchasing them abroad would be sure to end by buying much more largely than at present the works of American artists at home.

Our present tariff on art seems to everyone with whom I have discussed the subject unworthy of an enlightened and civilized nation like the United States.

We confidently believe, Mr. Chairman, that you and the Ways and Means Committee will give due weight to the above considerations.

Very respectfully, yours,

M. CAREY THOMAS,
President of Bryn Mawr College.

REV. C. F. WILLIAMS, NORRISTOWN, PA., ASKS FOR EXTENSION OF PRIVILEGES OF PRESENT FREE-ART PARAGRAPH.

NORRISTOWN, PA., *November 25, 1908.*

WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: It is respectfully submitted to your honorable committee that in the interest of art the present Dingley tariff law be changed and modified to this extent, viz:

Paragraph 702, under the head of "Free list," be so changed as to give the individual the same right and privileges in the importation of works of art as are now therein granted to the State or any society or institution established for the encouragement of the arts, etc.

That is to say, that if the individual will comply with the rules and regulations laid down in paragraph 702, under "Free list," for the State and other organized bodies, he or she will enjoy the rights and privileges given to the State and other organized bodies in said paragraph 702.

This change in this paragraph would be fair to both the public and the individual, so it seems to the writer. So long as the said works of art are open to inspection by and the enjoyment of the public no duty need be paid. Should they be withdrawn from this exhibition, the duty should be paid. In this way the rights of both the public and individual would be safeguarded and a great impulse given to the importation of works of art from the old countries. It is hardly necessary to add that at once under such privilege as this, the United States would become the repository of many of the world's most famous masterpieces in all branches of the earlier arts, a condition of affairs which it is most earnestly hoped your honorable body will see your way clear to do all in your power to bring about.

Respectfully, yours,

C. F. WILLIAMS,
Honorary Curator Oriental Carpets, Pennsylvania Museum.

CHARLES M. KURTZ, PH. D., DIRECTOR OF THE BUFFALO (N. Y.)
FINE ARTS ACADEMY, WISHES WORKS OF ART FREE.

BUFFALO, *November 25, 1908.*

SERENO E. PAYNE, Esq.,

*Chairman Committee on Ways and Means,
Washington, D. C.*

MY DEAR SIR: I regret exceedingly that previous engagements render it impossible for me to be present at the meeting of the Ways and Means Committee to be held in Washington on Saturday, November 28.

In common with other directors of art museums I feel keenly the disadvantage at which we are placed by the tariff on art. The excessive amount of the bond required in the case of an important collection of pictures brought to this country for exhibition purposes, and the refusal of the Government to allow works contained in such exhibitions to be sold for the benefit of the artists, even when duty would be paid on such works as might be sold, make it practically impossible for us to bring to the United States important works for exhibition. It is unreasonable to ask an artist to part with his pictures for a period of perhaps six months, during which time they are practically excluded from a market. And this is greatly to the disadvantage of art museums and the residents of the cities in which these museums are established.

For a number of years, while a resident of St. Louis, I brought to this country collections of foreign paintings, which were shown in an annual exhibition held in that city, with the result that numerous pictures were sold on each occasion—each work sold paying duty to the Government—with the attendant effects of stimulating art interest in St. Louis, making addition to the artistic possessions of the city, and offering valuable influence to the pupils in the art school.

Since coming to Buffalo to assume charge of the Buffalo Fine Arts Academy I have brought to America collections of paintings representing the Glasgow school and modern German paintings. These exhibitions attracted large numbers of visitors to the gallery—indeed, many persons visited Buffalo for the sole opportunity of viewing the

collections—and numerous paintings were sold, of which several became the property of the fine arts academy, with the result of greatly enhancing the interest and value of its permanent collection. During the present year, owing to the antagonistic attitude of the Treasury Department in Washington, it was deemed inadvisable to bring to this country a foreign collection of pictures. Largely owing to our omission of a foreign exhibit this year, our attendance has fallen off nearly 20 per cent. An exhibit of foreign pictures, open for a limited period of time, will attract visitors who might not be inclined to make the effort to visit an exhibit composed solely of American paintings, but who, being attracted by the foreign works, will see the American pictures on view, will have an opportunity of comparing them with the foreign pictures, and thus may develop a better appreciation for American art. It has been my experience that in a collection composed of American and foreign paintings the percentage of sales has been the same in the American as in the foreign section of the exhibition.

A specific duty on paintings would be quite as disadvantageous to the smaller art museums of the country as the present ad valorem duty. The pictures sold through the instrumentality of the art museums are not usually works commanding high prices, and a specific duty of \$100 on each picture would render such sales practically impossible. It should be remembered, moreover, by your committee that the price which the average dealer charges for a work of art is absolutely no criterion of its artistic value. Forty years ago paintings by Corot, Daubigny, and other artists of the Barbizon school could be purchased for a few hundred francs each. They were artistically quite as valuable then as they are to-day, when thousands of dollars each are asked for the same works.

It seems almost as if it should be unnecessary, however, to recapitulate all these facts, which should be self-evident to intelligent persons.

On behalf of our institution and similar institutions in this country, I desire to express the sincere hope that the duty on art may be abrogated.

Very respectfully, yours,

CHARLES M. KURTZ,
Director the Buffalo Fine Arts Academy.

**DR. S. WEIR MITCHELL, OF PHILADELPHIA, PA., WRITES AS ONE
OF THOSE OPPRESSED BY A DUTY ON ART.**

PHILADELPHIA, *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I hope the hearing of the matter on the 28th in regard to free art will result in something being done to enable us to bring home a great deal of educational value to a people who more than any other need instruction in the finer arts of life. I have over and over been prevented from bringing home art objects which ultimately would have reached new fields, because I could not afford to pay the additional cost assessed by the custom-house. In one instance a portrait of myself by an English artist who was then the

greatest portrait painter I was obliged to leave in England for years until finally I was able to pay the excessive custom-house duties.

I can not hope that a single letter from a person like me will have any great effect in the matter, but I am one of an oppressed public, and for the general good something might well be done to lighten duties or abolish them in matters of art.

Very truly, yours,

S. WEIR MITCHELL.

J. W. BARWELL, WAUKEGAN, ILL., THINKS THAT A DUTY ON WORKS OF ART IS LIKE SHUTTING OUT SUNLIGHT.

WAUKEGAN, ILL., *November 25, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: If the people of Chicago were made aware of the advantages of free art coming into this country, probably 100,000 signatures to a petition for this purpose could be promptly obtained, and so it is all over the country.

We accept and take in all the failures, dissatisfied and the undesirable people from all the countries of Europe, whilst we carefully do our best to keep out even the works of the best minds and thought there. It is absurd; it is like shutting out the sunlight and welcoming disease.

Yours, truly,

J. W. BARWELL.

E. H. SEMPLE, ST. LOUIS, MO., FAVORS A PROVISION OF THE TARIFF THAT WILL ADMIT REAL WORKS OF ART.

ST. LOUIS, MO., *November 25, 1908.*

HON. SERENO E. PAYNE,
Committee on Ways and Means, Washington, D. C.

DEAR SIR: The sentiment here, so far as I know it, is unanimously in favor of removing the tariff from good foreign art.

My personal opinion is, that if it is possible to do so, the tariff on art should be so arranged that all legitimate art (by which I mean the genuine works of masters, old and modern) should be admitted free, and that the tariff, if possible, should be prohibitive on all copies and other art that does not possess claims of genuineness.

That this last class should be kept out I regard as highly important.

Very respectfully, yours,

E. H. SEMPLE.

HON. SETH LOW, OF NEW YORK CITY, WISHES PAINTINGS AND ANTIQUE ART OBJECTS DUTY FREE.

NEW YORK, *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I understand that the Ways and Means Committee is to hold a meeting on the subject of art in connection with the tariff on

Saturday next. It gives me pleasure to express the hope that the committee will see its way clear to place paintings and at least antique objects of art upon the free list. I am in sympathy with the protective principle, as you know; but it does not seem to me to have any proper application to the field of art, in which the skill of the artist, rather than the cost of materials or the value of labor, determines the value of the product. I do not think that it tends to develop artistic taste and skill in our own country to levy a duty on the importation of articles of this character. One might just as well levy a duty upon scientific discoveries before they could be made available in this country.

It may be that by placing paintings upon the free list a certain injustice will be done to picture dealers who have paid duties upon pictures that remain still unsold, but it would not require a very large sum to refund these duties upon satisfactory proof of the facts.

Outside of this very limited field of injury from a change in the tariff, with reference to works of art, I think, at the moment, of no other harm that would be done, and I firmly believe that the educational value of such importations as would be made if art were on the free list, not only by dealers but by private citizens, would far outweigh any value to the country in money that may be collected on the objects that enter despite the duty. In the long run, a very large percentage of private importations finds its way into public museums, and it is not impossible that even more would do so if the Government admitted such objects free instead of compelling private individuals to pay for the privilege of bringing them in.

I have the honor to be,

Yours, sincerely,

SETH LOW.

LLOYD WARREN, NEW YORK CITY, WISHES FREE ART IN THE INTEREST OF YOUNG ARCHITECTS AND DRAFTSMEN.

NEW YORK CITY, *November 25, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

SIR: Allow me to write a few lines advocating the free art movement, as chairman of the committee on education. This society is conducting a course of instruction to young architects and draftsmen to the number of about 700 registered students. I have found these young men terribly handicapped in their efforts to do good work by the lack of material for inspiration in this country, especially in decorative art; that is to say, interior decoration, wood carving, furniture, stone carving, etc. This is due very largely to the prohibitive tariff which is placed on these articles. Loan exhibitions of works of art, which are a great inspiration for students in foreign countries, are with difficulty organized here, chiefly because objects of this kind are very rare in our country. Moreover, the extreme expense of importing any art objects forces Americans to content themselves with very imperfect imitations, which deprave the taste and wholly unfit students to draw inspiration from them to compete with artists of foreign countries.

By opening our doors to works of art I am convinced we will elevate the standard of the work of our artists, and, moreover, we would keep them in our country instead of forcing them to live abroad in search for inspiration.

Yours, very truly,

LLOYD WARREN,
*Chairman Committee on Education,
Society of Beauw-Arts Architects.*

**THE CLEVELAND (OHIO) CHAMBER OF COMMERCE MEMORIALIZES
CONGRESS IN ADVOCACY OF FREE ART.**

CLEVELAND, *November 25, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

SIR: This chamber is informed that on Saturday, November 28, the Ways and Means Committee will hold a hearing on the question of removing the duty upon works of art imported into this country by private individuals.

It will be appreciated by this chamber if at this hearing the inclosed resolutions, adopted by this chamber unanimously at a meeting held in October, 1906, might be read.

Very truly, yours,

CHARLES S. HOWE, *President.*

Whereas the Congress of the United States saw fit in 1898 to place a duty of 20 per cent upon works of art imported into this country by private individuals; and

Whereas such importations for the year 1905, amounted to \$2,-862,000, on which \$502,227 was paid in duties; and

Whereas the object of such a tax is twofold: First, to protect from competition the producers of the articles taxed, and thereby encourage the development of art industries in this country, and, second, to produce revenue for the support of the Government; and

Whereas it seems to be the judgment of the art workers of the country, and also of the general public, who are interested in art, that such duty acts as a distinct drawback rather than as an encouragement to such development; and

Whereas it appears that the class supposed to be benefited have memorialized Congress and asked for a removal of the duty; and

Whereas it is a fact that every great nation of Europe, whether actuated in general by the principles of free trade or protection, have united in putting works of art on the free list, thus setting an example which this country ought surely to imitate: Therefore

Resolved, That in the opinion of this chamber the educational value to the community derived from the increased importation of objects of art which would follow the removal of the duty is much more important than the revenue derived from this source, and, moreover, that such duty in any case is opposed to the principles of

higher civilization and is therefore inadvisable and should be repealed.

Resolved also, That this resolution by this chamber be communicated to the Congressmen from the districts included in the city of Cleveland, and to the Senators from the State of Ohio, and be also communicated to Congress in such manner as may seem proper to the board of directors.

Attest:

[SEAL.]

MUNSON A. HAVENS, *Secretary*.

**PROF. ALLAN MARQUAND, OF PRINCETON, N. J., WISHES THE TAX
ON ALL WORKS OF ART REMOVED.**

PRINCETON, N. J., *November 26, 1908.*

HON. SERENO E. PAYNE,

Chairman, Washington.

MY DEAR SIR: It is with great satisfaction that I learn that the free admission of works of art is again under discussion.

As a teacher of the history of art I have often experienced the burden of being taxed for introducing into this country the material for my professional work, which material consists of works of art and their reproductions in books and photographs. Our laws are cognizant of the educational value of such objects when placed in public museums or when imported for temporary exhibition, but do not sufficiently recognize such value to the home and to the individual.

I well remember when the tariff was under revision some years ago I asked a member of the tariff committee if the tax on works of art had been removed. He said that on the contrary it had been raised. When I asked for an explanation he replied: "None of you who wished it removed were present at the hearing, but a gentleman from the South who was present asked whether American brains were not as good as those of Europeans. To this the committee assented. Then he added: 'If the tax on works of art is increased can not we manufacture them in this country as well as in Europe?' To this all agreeing, the tax was increased."

It is most unfortunate that works of art—which imply personal and intelligent handiwork, and which may represent years of labor given to the production of a single object—should be confounded with manufactured objects reproduced by the thousand by means of machinery.

I am a firm believer in the artistic possibilities of the American people, but it is my daily experience that even the sons of our best families who come to our best colleges are mere Philistines in comparison with French, German, or Italian students of equal social standing. It will be many centuries before our country is as rich as Europe in the great monuments of historic art, but the removal of the tax on works of art and the admission free of duty of all objects made more than fifty years ago would kindle the imagination, awaken an interest in history, and arouse a love of beauty which would mean a new life for our people.

I very strongly hope, in the interests of all classes of our citizens, that this useless, unprofitable, and stultifying tax will be speedily removed.

Very truly, yours,

ALLAN MARQUAND,
Professor of Art and Archæology in Princeton University.

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HON. IRVING P. WANGER, M. C., SUBMITS LETTER OF C. F. WILLIAMS, BRIDGEPORT, PA., FAVORING FREE ART.

BRIDGEPORT, PA., *November 27, 1908.*

HON. IRVING P. WANGER, M. C.,
Norristown, Pa.

MY DEAR MR. WANGER: Permit me to lay before you, in some detail, the proposition that paragraph 702, under the head of "free list," in the Dingley tariff law, be so enlarged as to give to the individual, in the matter of importing works of art and other works mentioned in said paragraph, the same privileges as are now granted in the said paragraph to the state, or any institution established for the encouragement of the arts, sciences, etc. A reference to this paragraph will show you that the individual does not now have this privilege.

You will notice that the restrictions in this paragraph are, in effect, that whosoever imports works of art under the "free list" must do these things, viz:

First. They must import them "for exhibition at a fixed place."

Second. They must import them with the understanding that said works of art "are not intended for sale."

Third. They are required to see that "bond shall be given under such rules and regulations as the Secretary of the Treasury shall prescribe for the payment of lawful duties which may accrue should any of the articles aforesaid be sold," etc.

Now, if under these restrictions the individual collector is granted the same privileges as are now given to the state, etc., in paragraph 702, it is maintained that the Government will have full protection while a great impulse will be given the collecting and bringing to this country many of the world's finest masterpieces in every branch of art.

The objection raised against the granting of this privilege to the individual, that the privilege would be abused, is hardly tenable. It really could not be abused for the reason that works of art so imported would be a burden to anyone save the individual who had in mind the public benefit and the ultimate purpose of placing these works of art in the possession of the public.

In the first place, according to paragraph 702, the owner would be compelled to provide a place for the permanent exhibition of said works of art. It might be a separate building or it might be a gallery incorporated in the architecture of his home, but it must be a place of reasonable size and fitness for the proper exhibition of these works and it must be open to the public a reasonable length of time each year.

In the second place, according to paragraph 702, the owner would be compelled to give bonds that these works of art could not be sold

until the duty should have been paid, and this restriction, as well as the other mentioned, would follow the collection after the death of the owner. Indeed, it would follow the collection for all time.

It is necessary to give to collectors who are well disposed toward the public some liberty in the making of these collections, but the liberties granted in paragraph 702 would be sufficient for any collector who really had in mind the sincere purpose of serving the public. He should be granted, according to the provisions as now laid down in paragraph 702, the privilege of selling any separate work of art he might have, provided he pay the duty thereon. This would enable him to remove from his collection secondary works of art and substitute therefor the best works without requiring him to have his money invested in both examples.

It takes a long time to properly get together a collection of works of art of any branch. In doing this the collector is compelled to make changes from time to time, and the Government should give him this privilege, always requiring, of course, that the duty be paid on any articles which might be removed from the collection.

I can not see how, under the provisions in paragraph 702, the individual can not safely be granted all the privileges therein stated. I am sure the granting of this privilege will mean great good to our country and to the generations which are to follow us.

Very sincerely, yours,

C. F. WILLIAMS.

**RICHARD N. BROOKE, PRESIDENT SOCIETY WASHINGTON (D. C.)
ARTISTS, FAVORS SPECIFIC DUTY ON WORKS OF ART.**

WASHINGTON, D. C., *November 27, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means.

DEAR SIR: The undersigned has been for twenty-five years an advocate of a specific duty on oil paintings, and believes this to be the remedy desired by the vast majority of American artists. To this end he has united in every movement calculated to remove the present system of ad valorem duties. This system has the double effect of shutting out of this country private collections of a vast educational value, which in no sense enter into competition with modern American art, while admitting for a practically nominal duty the cheap refuse of all Europe.

To classify this stuff as "art" and make it "free" would appear to be indulging in sentimentalism at the cost of our younger artists, whose cause I am now pleading. Our leading artists have, as a rule, begun with limited means, with the cost of living, rent, and material in favor of the European, as well as tradition. The duty removed, this country would be promptly flooded with thousands of paintings of a class which can not even pay the present duty; dealers whose interest it will be to vaunt their superiority will multiply, and hundreds of honest and talented young men would be forced out of the profession by an unequal competition. A specific duty, say of \$100, would not be felt by those importing collections of great commercial value, and would exclude art of a class which is artistically and edu-

cationally inferior, and often morally degenerate. I have the honor to be,

Respectfully, yours,

RICHARD N. BROOKE,
President Society of Washington Artists.

J. H. STRAUSS, NEW YORK CITY, WRITES ADVOCATING THE PLACING OF A SPECIFIC DUTY ON PAINTINGS.

NEW YORK, *November 27, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington.

MY DEAR SIR: I beg to submit for your consideration the following proposition regarding a duty on paintings: Fifteen per cent on paintings of every description, the maximum amount to be collected on any one painting to be \$100. This will enable the collector to bring in paintings for "educational" purposes at a reasonable rate, and at the same time protect the dealer from unfair foreign competition in the way of consignments or otherwise.

Yours, respectfully,

J. H. STRAUSS,
Dealer in Oil Paintings, Water Colors, Engravings, and Etchings.

PRESIDENT CYRUS NORTHROP, UNIVERSITY OF MINNESOTA, THINKS FREE ART MOST DESIRABLE.

MINNEAPOLIS, *November 27, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: So far as I know the unanimous sentiment of the people of Minnesota is in favor of free art. The artists themselves in the State are, I believe, without exception in favor of free art, and the State Art Society, the official organization of the State, of which I am a member, has pronounced unanimously in favor of free art on more than one occasion.

I hope that the Ways and Means Committee will make an advance in the right direction and give free art to the country, as it seems to me most desirable.

Very truly, yours,

CYRUS NORTHROP,
President of the University of Minnesota.

BOLTON SMITH, MEMPHIS, TENN., RECOMMENDS THAT ALL ARTICLES OF ART BE PLACED ON THE FREE LIST.

MEMPHIS, TENN., *November 28, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

DEAR SIR: Whatever may be the advantages of a protective tariff, they can not, it seems to me, apply to art, and I sincerely trust that in

the bill to be reported by your committee you will incorporate a provision placing all articles of art on the free list. The absurdity of the present duty is illustrated by the following incident:

A friend brought me a vase from Greece. It was something over 2,000 years old and consequently not in any wise an article of commerce or like anything that our factories are turning out; still, he was compelled to pay a duty of \$60. Such a law makes one feel a sentiment of absolute contempt for a government and its law, and it is this carelessness of the rights of the citizen which has been shown by the Republican party in its indiscriminating tariff legislation, that, more than anything else, has aroused the growing antagonism against that party. In my opinion, nothing but the unpopularity of Mr. Bryan and the conservative classes of our people has stood in the way of overwhelming Democratic victory. Personally, I voted for Mr. Taft, and while I do not regard myself as a Republican, yet the course of that party under Mr. Roosevelt has been such, and I am sure under Mr. Taft will be such, that I am fast coming to feel a desire to see that party retain power. It is therefore as a wellwisher of the Republican party that I presume to recommend in this small matter of the art duty a course which, if given still more general application, would, I am convinced, assure its continuance in office.

Yours, truly,

BOLTON SMITH.

MRS. ALICE P. BARNEY, WASHINGTON, D. C., FAVORS AN APPOINTIVE ART COMMISSION TO JUDGE WORKS OF ART.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Mrs. Barney believes in free art, but her belief is couched in the following suggestions, which convey her advocacy of limited free art:

She believes that the Secretary of the Treasury should appoint a president and vice-president, men of leisure and high artistic qualifications; that these two gentlemen should form a committee of 20 or 25 gentlemen of high artistic ability to pass judgment upon all works of art imported from abroad. This committee or jury, as well as their president and vice-president, should be men who would be willing to serve without a salary, just for the honor and pleasure which a participation in the artistic development of their country will afford them.

Any works of art pronounced by this jury as of sufficient excellence should be admitted free of custom duties. But in lieu of this advantage, the owners should be willing to loan these for a period of two years to the Government to be exhibited at a national museum to be founded by the Government. The public then will be given the benefit of seeing these works of art. The advantages of such system and such national museum are too many to be enumerated here. But as an instance, we point to the ever-changing character of the exhibitions and the manifold interest they impart to the public.

At the end of two years these works of art will be returned to their owners free of duty.

As to those works of art which would not pass the rigid examination of the jury or in some points would fall short of meeting all requirements of the committee of experts, these should not be admitted free, but owners should pay on them regular custom duties.

If the owners of the accepted works of art show unwillingness to loan their imported property for such a long period as two years, they should be allowed to loan them for only a period of one year provided they pay half duties. Of course, in case such owners totally refuse to loan their property they could secure them by paying full duty, as is usual at the present time.

If this scheme or its fundamental ideas is carried out, only real works of art would be admitted into America, and the land would not be overrun with so-called "works of art" or productions of mediocre artistic abilities. More harm can be done to the public in showing them nongenuine works of art and corrupting their sense of art appreciation than by not showing them any works of art at all. Moreover, a wholesale free admission of all works of art, so-called without any discrimination, would inflict a loss of profit on the Government which will not be justified by the degree of artistic development that such free art can effect in the public.

By carrying out these suggestions the Government, too, will not be without its material profit. I. It will receive duties on second-class works of art. II. It will receive half duties for works of art whose owner would not be willing to loan them for a period extending beyond one year. III. It could charge a small admission from all those who wish to enter the museum, allowing certain days in the month during which all would be admitted free. IV. That now that limited free art is not allowed, many yearly spend large sums of money abroad in order to visit and study works of art, while by having limited free art in America the bulk of that money would be spent in America itself.

There is already in existence a charter, granted by Congress in 1892, for a national academy of art, to be located in this city. A national building erected by the Government for the exhibition of works of art would prove of invaluable importance to the nation at large.

ALICE P. BARNEY.

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W. B. CLOSSON, WASHINGTON, D. C., RECOMMENDS A SPECIFIC DUTY ON PAINTINGS AND OTHER WORKS OF ART.

WASHINGTON, D. C., *November 28, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: In years past I have signed one or two memorials to Congress urging the removal of the ad valorem tax on works of art imported into this country.

Study of the subject has led me to change my opinion regarding it and to believe in the necessity under existing conditions of a tariff which will prevent the flooding of this country with either inferior art or that which is better but not great, and which, owing to the smaller cost of living in Europe, can be produced by European artists at prices with which the American artist can not compete, subject

as he is to the higher cost of rents, living, and materials used in his profession.

The disastrous effect of admitting great numbers of low-priced pictures or other works of art would be felt most keenly by the younger artists, for if they can not find a market for their wares they can not exist, and the result would be a serious check to the development of trained artists in this country.

The cash value of manufactures to which art is applied is already very great in this country and ought to grow constantly greater, and the value of the esthetic influence of good art made inherent in a people by training and practice can not be overestimated.

It seems a great pity to curb growth in this direction. I have come to believe that the removal of the import duties on all works of art while it still remains on the things which the artist has to buy would be a disadvantage to the artist serious enough to have this effect.

The argument that the present ad valorem duty keeps works of art of great educational value out of this country has its force. It therefore seems to me that a specific duty of one or two hundred dollars, or such a sum as would discourage the importation either of inferior art or such work as would come in competition with that produced by the younger artists of this country, while not large enough to seriously influence the importation of really good art, ancient or modern, might be a just and reasonable condition to aim for.

I am, most respectfully, yours,

W. B. CLOSSON.

**HENRY E. F. BROWN, ARTIST, AUTHOR, AND HISTORIAN, FAVORS
A SPECIFIC DUTY ON WORKS OF ART.**

BETHLEHEM, PA., *November 30, 1908.*

HON. SERENO E. PAYNE, *Chairman,*
House of Representatives, Washington, D. C.

HONORED SIR: Since 1876 I have been a writer upon art topics. Up to the year 1890 I had been opposed to any tariff upon art—meaning painting and sculpture—notwithstanding the contention of my old teacher and friend, Mr. John Sartain, of Philadelphia. Now I see, as he did then, that a specific duty of \$1,000 should be exacted for each and every painting brought to the United States.

We need no longer the ad valorem 30 per cent. It does not cover the requirements. We do need all the better class of pictures our connoisseurs buy and would like to bring home, but are prohibited by the ad valorem of 30 per cent which, on a \$100,000 painting, as you know, is \$30,000, while the artists who need "protection" are those who are unable to go abroad for study and who never can hope to get \$1,000 for a picture, although many are infinitely better than the usual litter of foreign studios brought to this land of milk and honey for foreign artists and valued nominally until put on sale or offered at private sale, when the hundreds are made thousands. Again, I knew a railroad magnate who bought while abroad a painting for a "song," a mere trifle, the artist being just then in disfavor, and after holding it for a year valued it at \$10,000. Take "The Russian Wedding Feast," which cost Schuerman originally

\$5,000 in a St. Petersburg studio plus the ad valorem—\$1,500—or \$6,500, and through exhibitions netted him in two years \$185,000, and he still retains the painting. I beg of you to supplant the ad valorem of 30 per cent to a specific duty of \$1,000 on each and every painting in oil, without regard to size, condition, or merit, that may be brought into this country.

I know every artist residing in America will thank the committee for this if granted. I am not so sure of the dealers, one of whom palmed off a \$25 copy of a masterpiece as the original and was paid \$25,000 for it by a railroad king who knew probably more about rebates than he did of paintings.

Thanking you in advance for any consideration given this, I am,
for American art,

Yours, sincerely,

HENRY E. F. BROWN, F. A. A. S.,
Artist, Author, and Historian.

**THE AMERICAN FREE ART LEAGUE, NEW YORK CITY, OPPOSES
A SPECIFIC DUTY ON WORKS OF ART.**

NEW YORK, *December 12, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I inclose a short argument answering the suggestion that a duty of \$100 be levied on each art object.

The league asks to have this argument inserted in your record.

Yours, truly,

FREDERICK S. WAIT, *Secretary.*

A tax on works of art violates the fundamental principles of a democracy. (President Eliot, of Harvard University.)

The duty tends to retard the growth of art in this country. (Daniel Chester French.)

Art is a universal republic, of which all artists are citizens, whatever be their country or clime. (President McKinley.)

Opposing the suggestion that a specific duty of \$100 be imposed upon paintings and art objects made within the last one hundred years, the American Free Art League urges:

First. A specific duty on art objects is, in its nature, an exclusion act as regards a large class of pictures and other art objects, and has no place in a bill introduced to secure revenue for the Government. If trash and forgeries in art are to be excluded by legislative intervention, this should be accomplished by means of a commission of experts or a new governmental department.

Second. The importers of forged art objects promptly pay the duty and exhibit the government receipt for the payment as evidence to aid in deceiving an intending purchaser of the forged objects. This fraud is being constantly committed now. It has been demonstrated that the duty does not exclude forgeries.

Third. Scarcely any two art objects are exactly alike in subject or value; hence the manifest injustice of an arbitrary specific tax. Any tax on art objects deemed necessary must, from the very nature of the subject-matter taxed, be founded on and vary with the value.

Fourth. The importation of etchings, engravings, drawings, designs, studies, and sketches, most of which are of small money value but of enormous popular artistic and educational interest, would be practically if not absolutely prohibited by a specific tax. So also would the portfolios of American art students returning home.

Fifth. A specific tax constitutes an unwise discrimination. It would be very seriously felt by the small collectors and people of slender means, but might not be noticed by wealthy collectors who import only masterpieces. The importation of the older masterpieces is very important, for these constitute models that tend to stimulate our own artists and can be studied in our own country. But we need also importations of the new evidences and varying developments of the fine arts at the art centers of the older countries.

Sixth. Collectors generally start in a small way with inexpensive things, and the process of collecting, among other things, educates the collector. The success of a collection of art objects depends not so much upon the purse of the collector as upon his artistic sagacity. The specific tax would stop art collecting by people of small means.

Seventh. The private collector is inevitably the source of supply for the art museums.

Eighth. The exchange of knowledge and information with the Old World by cable and print is unrestricted. Why build up barriers against the free interchange of the modern examples or experiments in color and form constituting what we call art?

Ninth. Art, we repeat, is the luxury of the poor. With us the Government does not collect art objects. The people secure them for educational purposes by the gifts of wealthy or artistically inclined collectors, or both, who establish galleries and museums and endow art schools.

Tenth. It does not meet the argument for free art that the present law allows the free importation of works of art for public museums and galleries. The origin of collections is invariably the zeal of individuals. They expend, in this direction, more time, effort, and money than are available to public institutions through the service and funds at their disposal. Individuals collect, in the first instance, on account of their own interest and for their own satisfaction. Often they can not afford, at least in the early stages of their collecting of foreign works, to import solely for museums, and even when able to do so are seldom willing to donate their collections until the collections are reasonably complete. In most cases they naturally wish to enjoy and enlarge their collections as long as they live. After their death their collections, either by bequest or through public sale, sooner or later pass, in whole or in large part, to the final possession of public institutions. Almost to the extent that the collectors have to pay duties on the works they import, their importations are diminished in extent and value. Consequently, the supply of valuable foreign art available ultimately for museums and public galleries, and meanwhile available for public enjoyment through loan exhibitions, is materially and seriously diminished. What the people need is encouragement for the free introduction to this country of as many works of art as anyone is willing to bring in. While the importation by private collectors means individual enjoyment for a while, for which the collectors have to pay, it means ultimate possession and enjoyment by the public, which generally does not have to pay.

Therefore, the continuance of the barrier of a duty, which is neither needed for its inconsiderable revenue nor for the protection of American artists, who are so largely independent of such aid and in favor of its discontinuance, can not be supported on any reasonable public grounds.

Eleventh. The courts have noticed the tendency of Congress to favor art.

In *United States v. Tiffany* (160 Fed. Rep., 408) the court said:

That Congress, realizing the importance of art to a comparatively new country, has in all the later tariff acts discriminated in favor of paintings and statuary can not be denied.

Twelfth. President McKinley said that a circular was sent to all the artists in the United States seeking an expression of opinion on the tariff. Of 1,435 replies received 1,345 petitioned for the removal of the onerous duty on art. (Speech of William McKinley in the House of Representatives, May 20, 1900.)

Respectfully submitted, December 10, 1908.

The American Free Art League, by its executive committee; Bryan Lathrop, president, Chicago; Robert W. De Forest, chairman executive committee, New York; Edward R. Warren, secretary, Boston; Holker Abbott, treasurer, Boston; Thomas Allen, Boston; Daniel H. Burnham, Chicago; Frank Miles Day, Philadelphia; Halsey C. Ives, St. Louis; Howard Mansfield, New York; Frederick S. Wait, secretary, New York; Myron E. Pierce, organizing secretary and counsel, 50 State street, Boston.

**WM. C. HUNNEMAN, BROOKLINE, MASS., WRITES IN FAVOR OF
FREE ART AND FREE NEGATIVES OF FOREIGN VIEWS.**

BROOKLINE, MASS., *December 19, 1908.*

HON. SERENO E. PAYNE, *Chairman,*
Washington, D. C.

DEAR SIR: I desire to add my name to the petitioners for free art in the contemplated revision of the tariff, and, besides the articles that I have seen enumerated under this head, to add photographic negatives of foreign views taken by Americans. I have in mind an experience of a friend of mine some years ago who took abroad several hundred American dry plates, exposed them for pictures in Europe, and brought them back undeveloped. He was in the business and preferred to develop them at home, yet he was required to pay a duty on them, not as unexposed plates but as exposed plates. It might have turned out (as is often the case with amateurs) that the exposures were all faulty. It seemed very absurd, for of course the exposures were something that could not be produced here unless we brought the views or the scenery over here, which of course is absurd to talk about, and the result of his work was educational, to give the American public good, low-priced pictures of things they want to see.

I hope you can be liberal in the revision with negatives, whether taken on American or foreign plates.

Yours, sincerely,

WM. C. HUNNEMAN.

"ART NOTES" THINKS THAT A LARGE PROPORTION OF AMERICAN ARTISTS ARE OPPOSED TO FREE ART.

NEW YORK CITY, *December 22, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: Inclosed you will find a clipping from Macbeth's Art Notes for December, 1908, which is a very fair estimate.

Very truly, yours,

GEORGE A. TRAVER.

[From Macbeth's Art Notes.]

Now that general tariff changes are being considered the time is doubtless near when duties on works of art will either be removed or modified.

All who are for or against a change should be ready to express themselves. I find that, contrary to the general impression, artists are by no means of one mind on this question and that there is a very decided opposition to so-called free art on the part of many. Although the views of these opponents are not seen in print as often as those of the artists on the other side, their opinions must be given consideration. I have had a good many opportunities to hear views of individual artists on this subject and I am of the opinion that a vote by ballot of the artists in any club or society in the city would show fully 75 per cent opposed to "free art."

DAVID C. PREYER, NEW YORK CITY, SUGGESTS LIMIT TO AMOUNT TO BE COLLECTED FROM WORKS OF ART.

NEW YORK CITY, *December 27, 1908.*

HON. SERENO PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

SIR: The tariff on works of art has been assailed for many years. The conflicting demands at this time of the Free Art League, which asks for the abolishing of all duties, and of those who favor a specific duty of \$100 on paintings and sculpture, may befuddle and weaken the real issue, which is the relief sought from a penalty upon one of the best educational forces.

Nor are the demands referred to free from objection. Absolutely free art would cause an influx of so-called artistic trash, as was witnessed in 1894, when the duty was removed, and cause a deterioration of public taste. The specific duty of \$100 would be a severe tax on many artistic objects, especially water colors, pastels, and figurines of less than \$500 value.

The universal consent of artists to the demands of the Free Art League, claimed by the league, has been widely investigated by me,

both here and abroad, and resolves itself into the plain statement that of two evils the artists would choose the least; that is, if the choice lies between absolutely free art and the heavy duty which now prevents the importation, especially of important and costly works, they prefer free art. I have been assured without a single exception that the solution of the problem which I now offer would be the most acceptable.

This solution I believe to be the easiest way out of the difficulty. It leaves the schedules, the regulations, the tariff of the present law untouched and unaltered with the slight addition of one sentence.

The tariff on art as laid down in the act of July 24, 1897, is:

SECTION 1. Paintings in oil or water colors, pen and ink drawings, and statuary, not especially provided for in this act, twenty per centum ad valorem.

Add here—

But the duty on any object imported shall not exceed the sum of one hundred dollars.

This would leave all works of art up to the value of \$500 under the existing rule, while a specific duty of \$100 would rest on all works of art of greater value. This slight sum would not interfere with the importation of valuable works of educational value.

Respectfully submitted.

DAVID C. PREYER,
Formerly Editor of the Collector and Art Critic.

**GRACE H. SIMONSON, PELHAM HEIGHTS, NEW YORK, URGES
CONTINUED PROTECTION OF ART DESIGNS.**

CLIFF AVENUE, PELHAM HEIGHTS, N. Y.,
December 27, 1908.

COMMITTEE ON WAYS AND MEANS.

DEAR SIRS: The inclosed cutting I found in to-day's Times. I have not seen the magazine article. Some years ago I was very much interested in a tariff on designs. I was a designer for a large house (Cheney Brothers), also a teacher of textile designing, and am now in charge of that branch at the New York School of Applied Design for Women. I found that foreign designers were sending into the country free designs by the hundreds. There were agencies there that collected and shipped them to manufacturers here, they selecting what they wished and returning the balance, all free as art work. When designers here tried to show designs, we were told they were buying foreign designs, and that they were cheaper and in larger assortment than we could offer. I wrote to President McKinley, stating the case, and he, through Mr. Addison Porter, kindly advised me to write to Mr. Dingley, also saying he would send my letter to him. Mr. Dingley also stated that the matter would be attended to, and a tariff was put on designs, which, as a manufacturer afterwards told me, made the foreign ones as dear as ours. It seems to me that Mr. Beckwith's industrial argument is a poor one. The American girl, I notice, increases the value from 4 to 75 cents, and by her design. From the woman's standpoint the field for woman is constantly getting smaller and smaller for the designer's increase

faster than the demand for designs, and it seems a pity to add the foreign element outside of our own country.

Very, very truly,

GRACE H. SIMONSON,
Cliff avenue, Pelham Heights, New York.

EXHIBIT A.

The American Free Art League includes in its campaign literature the following "industrial argument for free art:"

Mr. Carroll Beckwith, one of our most prominent portrait painters, spoke for the artists at the free-art hearing before the Ways and Means Committee in Washington on November 28, 1908. He presented the free-art argument in a very forcible manner, and the concluding paragraph of his argument was most dramatic.

The chairman, not realizing that Mr. Beckwith was about to answer a question put to him by a member of the committee, called upon the next speaker, whereupon the members of the committee, seeing the situation and apparently eager to hear more from Mr. Beckwith, called Mr. Payne's attention to the fact, and Mr. Beckwith was recalled and asked to finish his remarks. A commonplace ending would have fallen a little flat under the circumstances, but Mr. Beckwith was quite equal to the occasion. He said:

I know a young American girl who took a piece of cotton cloth and designed upon it a spray of goldenrod. In its original form the piece of cotton sold for 4 cents a yard. Her design, the result of her artistic training, increased the value of that cotton from 4 cents to 75 cents a yard, at which price it had an enormous sale. That is why art is useful to us, and that is why you should help us to get good art into this country by removing the duty upon it.

The effect of this simple illustration was electric, as it showed the committee in a straightforward way the tremendous value of art in industry and gave them a striking reason for placing art on the free list.

**THE FEDERATED CLUB WOMEN OF THE DISTRICT OF COLUMBIA
PETITION IN FAVOR OF FREE WORKS OF ART.**

THE COLUMBIA, COLUMBIA HEIGHTS,
Washington, D. C., December 29, 1908.

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
House of Representatives.*

SIR: In behalf of the 5,000 federated club women in the District of Columbia we pray your honorable body to act favorably upon the bill before you presented by the artists of America to remove the duty upon art, thereby coming to the aid of American genius; especially do we emphasize the removal of a duty on the works of the "old masters;" and as protectionists we can see no competition in any works of art whose creators have been dead for centuries.

Remove the duty, that art students may not be compelled to study in foreign countries; then as a people we will keep our purchased art treasures and our art students at home.

We ask this in the name of these 5,000 club women whose vote in the District of Columbia is just as good as a man's (and, let us add, we hope it always will be); therefore we add our voice to our vote—that your committee will remove the duty on art to the gratification, we feel sure, of 800,000 club women in this country, and the thinking public in general.

Respectfully, yours,

MARY S. LOCKWOOD,
*Chairman Legislative Committee,
District Federation of Women's Clubs.*

Members of committee: Mrs. Lucia E. Blount, Miss Frances Graham French, Mrs. Carrie E. Kent, Mrs. E. M. Davis, Mrs. Edith Sage Emerson.

**CINCINNATI (OHIO) ARTISTS PETITION FOR A SPECIFIC DUTY
ON ALL PICTURES AND SCULPTURES.**

1265 BROADWAY, NEW YORK CITY,
December 30, 1908.

W. K. PAYNE, Esq.,

Secretary Ways and Means Committee, Washington, D. C.

DEAR SIR: I inclose the signatures of 39 Cincinnati artists to be appended to the petition in favor of the specific duty of \$100 on pictures and sculptures produced within the last one hundred years.

I notice that the New York Tribune this morning, in a letter from its correspondent at Washington, and which, presumably, is inspired by the Free Art League people, states boldly that "thus far the Ways and Means Committee has received no intimation that there is any one in the country, except some Members of Congress, who desire to retain the present duty on works of art." Further on in the article, following other misstatements, it is said that "the American artist repudiates the duty and is the most earnest petitioner for its repeal." I can hardly believe that the Ways and Means Committee can have the impression in the matter that this article states, and this continued putting out of misstatements in order to give the country the idea that there is absolutely no opposition whatever to the removal of duties on art is becoming rather wearisome.

Could you, without trouble, let me know whether it is possible for me, the representative of a large number of artists and others—and which number is growing rapidly—to bring to the attention of the committee that the Free Art League does not represent the sentiment of the country on this art-tariff matter by any means? It seems to us manifestly unfair that the press should be used in an evident attempt to influence the Ways and Means Committee.

I trust I am not bothering you in asking you to add these names to the petition and the brief on file.

Yours, very truly,

JAMES B. TOWNSEND,
American Art News Co.

CINCINNATI, *December 11, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We, the undersigned, American artists, respectfully ask the consideration of your committee on the revision of the tariff

on art, of the proposition to substitute for the present ad valorem duties on pictures and sculptures a specific duty of \$100 on each imported painting in oil, water-color, or pastel, or sculpture produced within the past one hundred years, or one hundred years from date of entry. This specific duty we believe would bring as much revenue as the present tariff to the Government, and would at the same time keep out the trash and poor art, as well as the copies of good pictures brought in and sold as originals afterwards. The period of one hundred years would safely cover the life and works of modern painters and sculptors, whose works are most often copied and sold as originals, and would protect innocent buyers and not in any way prevent the importation of good pictures.

Respectfully,

P. Wm. Hass, Thos. H. Gore, H. W. Burckhardt, Syl. F. Tromistine, Emro Meyer, Paul Jones, Paul H. Koehne, H. T. Beall, Chas. H. Elmes, A. William Scinanonzy, Val. Bonhajo, F. A. Neubauer, David Rosenthal, Geo. Meinshausen, Wm. A. McCord, C. A. Meurer, A. O. Elzner, Frank Duirneck, Clement J. Barnhorn, L. H. Meakin, H. F. Farny, C. T. Webber, John Rettig, August Greser, Martin Rettig, Carl Van Buskirk, Frank J. Girardin, H. H. Wessel, Ben. H. Faris, E. T. Hurley, W. P. McDonald, John De Wauham, George Deberiner, Chas. W. Waite, Frank Wilmes, Louis Bonhajo, Matt A. Daly, G. C. Riordan, Leon Lippert.

**ADDITIONAL STATEMENT FROM JAMES B. TOWNSEND RELATIVE
TO A SPECIFIC DUTY ON WORKS OF ART.**

1265 BROADWAY, NEW YORK CITY,
January 2, 1909.

HON. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: In a dispatch from its bureau at Washington, published in the New York Tribune this morning, the statement is made that "thus far the Ways and Means Committee has received no intimation that there is anyone in the country, except some members of Congress, who desire to retain the present duty on works of art, and that you personally are entirely in favor of withdrawing the art duty."

The constituency of artists, and many others which I represent, are disinclined to credit these statements, and feel that it is hardly fair to the Ways and Means Committee to have it placed on record in this way before the tariff bill is framed. I assume that you are aware that there were gentlemen present at the hearing on November 28 before the committee who were entirely opposed to any change in the present art duties, but who, in the short time allotted for the hearing and the number of speakers put forward by the Free Art League, did not have an opportunity to speak, and I assume that you are also aware of the fact that over two score of well-known artists in this city alone have signed a petition for a specific duty of \$100 on all pictures and sculptures produced within the past

one hundred years from date of entry as a substitute for the present art schedule, and that two score more of the prominent artists of Cincinnati have forwarded a similar petition, and that a feeling among the artists of the country is rapidly declaring itself in favor of this specific duty.

These facts are simply brought to your attention lest in your crowding duties you should be misled by the statements in the Tribune, or which may appear in other newspapers, and which emanate from those who wish the duty on art removed, few or any of whom have any direct financial or other interest other than an academic or sentimental one in the question.

I am, yours, very truly,

JAMES B. TOWNSEND,
American Art News.

MYRON E. PIERCE, BOSTON, MASS., SUBMITS LETTERS FROM ARTISTS WHO SIGNED SPECIFIC-DUTY PETITION.

50 STATE STREET, BOSTON, MASS.,
January 8, 1909.

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

MY DEAR MR. PAYNE: I send you herewith a copy of a letter received from Mr. Frank Duveneck, a prominent artist, and two other artists, whose names appear at the head of a petition for a specific duty on art which your committee has received. You will observe that they signed the petition believing it to be a free-art petition as free art is interpreted by our league. I have no doubt that many of the other artists whose names follow Mr. Duveneck's were influenced in some degree to sign it by the fact that it was headed by Mr. Duveneck, if, indeed, some of them did not make the same mistake that Mr. Duveneck did and thought they were signing a free-art petition. We trust that your committee will incorporate in your revised tariff bill the art schedules as proposed by the league. If I can be of any assistance to you in the matter, I shall be very glad to come to Washington at any time.

Yours, very sincerely,

MYRON E. PIERCE,
*Organizing Secretary and Counsel,
American Free Art League.*

CINCINNATI MUSEUM ASSOCIATION,
January 6, 1909.

AMERICAN ART LEAGUE,
50 State street, Boston, Mr. Myron Pierce, Secretary.

MY DEAR SIR: Your letter to Mr. Duveneck came yesterday, dated January 4, 1909. We were informed a couple of days ago that the paper signed was not issued by your organization. We are all heartily in sympathy with the free art movement as expounded by your organization. It was signed without thought, and by many without reading, as it was generally thought to mean "free art." All

we had to do was to sign, and the rest was done by you (them?). We regret this and ask you to send us some paper to sign (if that is proper) to cancel the error we made in placing our names to the wrong document.

Respectfully, yours,

FRANK DUVENECK,
CLEMENT J. BARNHORN,
L. H. MEAKIN,
Per C. B.

MYRON E. PIERCE, BOSTON, MASS., FILES STATEMENT OF CERTAIN ARTISTS IN FAVOR OF ABSOLUTE FREE ART.

50 STATE STREET,
Boston, Mass., January 13, 1909.

HON. SERENO E. PAYNE,

*Chairman, Ways and Means Committee,
House of Representatives, Washington, D. C.*

My DEAR Mr. PAYNE: I inclose a letter which was sent to me by Mr. Duveneck, the distinguished artist, who signed a specific duty by mistake. It is valuable as expressing very succinctly the arguments against a specific duty. I am sorry to trouble you again.

Yours sincerely,

MYRON E. PIERCE,
Organizing Secretary American Free Art League.

CINCINNATI, OHIO, *January, 1909.*

To the HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: We, the undersigned artists, signed a petition to your honorable committee which we thought was a petition in aid of free art, but which we now learn was a petition to substitute a specific duty of \$100 on certain works of art. We wish to correct this error and to assure your committee that we believe in absolute free art as set forth in the brief of the American Free Art League.

We do not favor a specific duty. We feel that the schedules outlined by the American Free Art League go as far as is practicable in the exclusion of trash. In fact, we think that nearly all works of art that can without reservation be called trash would be excluded by the League's proposed schedules.

The theory of a specific duty is predicated upon the theory that a high-priced painting is good art and that a low-priced painting is bad art. This is not true, and therefore a specific duty sets up a false test.

A specific duty would be class legislation of a most unjust type, because it would relieve only the larger collector and would impose an unjust burden on the collector of small means, and actually prevent American artists and students from bringing in the sketches and studies given them by foreign artists, which are always among their most treasured studio effects. It may also be said that a specific duty like any other duty would tend to foster the manufacture of trash in this country, and we do not feel at all sure that American trash is any better than European trash.

Another argument against the specific duty is the experience of Europe. The interchange of art works between the countries of Europe is absolutely free, and we know that this condition of freedom in the exchange of art ideas has been of great value in the development of art. We believe that this experience of Europe shows conclusively that any disadvantage from the introduction of trash is greatly outweighed by the advantages to art and industry which come with absolute free art.

Trusting that your committee will take this view, which we believe is the view of the great majority of artists, we remain,

Yours, very respectfully,

FRANK DUVEHECK,
CLEMENT J. BARNHORN,
L. H. MEAKIN,

Instructors at Art Academy of Cincinnati, Ohio.

CHARLES H. DAVIS, MYSTIC, CONN., THINKS WITH FREE ART THE UNITED STATES WOULD SOON BECOME THE DUMPING GROUND FOR EUROPEAN TRASH.

MYSTIC, CONN., *February 10, 1909.*

HON. SERENO PAYNE,

*Chairman of the Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: The organization known as the American Free Art League has been carrying on for some time an energetic campaign, and as it appears their arguments are being given due consideration by your committee in the lack of an organized movement of any sort among those who disagree with them, individual expression of opinion on the subject of the duty upon works of art may be justified.

The claim has been repeatedly made that the above-mentioned organization represents the majority of artists in this country. There is no real basis for this claim.

Is it not apparent that besides high-minded and perfectly sincere professional men identified with it, there are others less disinterested—men who are asking for the protective principle for what affects their revenues, and free trade elsewhere?

In adjusting the duties upon other things made in this country the general conditions are taken into consideration. Why not then in this?

Works of art are produced under precisely the same general conditions that any work is; one must live, buy materials, pay rents, etc. Competition can be upon a basis either to stimulate or discourage. Talent, genius—whatever it is called—can be aided or hampered; in other words, there is no different set of principles to apply to this one line of achievement that may not be applied to all.

Look for a moment at the position of the young American artist under the conditions of free art. Artists of standing are not likely to suffer. They have proved their worth, and, represented in the collections of the country can not be ignored, but the young man—the master of the future who is the student of to-day—is given the most difficult possible task, and surely the pursuit of art is not to be relegated solely to the sons and daughters of the wealthy.

No country in the world represents like conditions as to the business side of art. The eyes of all the world are turned eagerly upon American dollars. No European country presents such attractions, as no European country is so prejudiced in favor of the "imported" article, be it what it may. The conditions under which the young artist here has to work make it impossible for him to present the same commercial possibilities to the dealer as his competitor oversea.

The reason is plain to see—few dealers care to work for 25 per cent profits if 100 per cent or 1,000 per cent are possible.

Under free art our country would be a dumping ground for a large part of the trash of Europe. No one with an elementary knowledge of the conditions can doubt that. Our people can be readily made to believe that this is superior to the home production, and where real worth and reputation are eliminated, American work will go to the wall.

We would be peculiarly at the mercy of the forger and the artisan, rather than the artist of Europe. Surely this is a question of vital importance in the art development of our country. This matter of the revision of our tariff schedules calls everywhere for compromises; free trade as a principle is not even under discussion; all interested in this particular duty agree that the present ad valorem duty is in need of revision; it would seem that a specific duty could be so adjusted as to be a reasonable compromise.

We want all that we can get of the good art of Europe; a small specific duty would not discourage its importation. It would be more effective in keeping out the undesirable work than the present duty, and it would be a fair protection to our own workers in the field of art. If there are objections to a specific duty, one is tempted to ask how many absolutely unassailable adjustments are possible in this revision.

Much has been said of the "iniquity" of taxing such a means of education, but in the next breath we are told that the means in question are paintings in oil and water color, drawings, original etchings and sculpture, but that reproductions by mechanical processes are not in question.

The American Free Art League has carefully stipulated this, and then with amazing further inconsistency, calls our attention to the idea that a specific duty would be open to the accusation of a duty favoring the wealthy.

The masses of the people buy neither paintings, statuary, or even etchings; the art available to them are reproductions by mechanical processes, the hundred and one things in which artistic taste and invention enter, and consequently are educational.

The reasons for these strange limitations are obvious. In submitting these brief opinions and suggestions, I have reluctantly eliminated statements of facts pertaining to the enormous preponderance of business in foreign work now in this country over the native product, a fact easily verified.

Briefly and crudely I have tried to express opinions on this subject held by many men in my profession, and also those of some of the faithful, devoted few among the dealers who aim to advance the interests of American art, and have in mind as well the best interests of the general art development of their country.

Respectfully submitted.

CHARLES H. DAVIS.

Communications favoring the removal of duty from works of art were received from the following: Francis R. Allen, 20 Fairfield street, Boston, Mass.; Mary E. Garrett, 101 West Monument street, Baltimore, Md.; Charles Allis, 903 Railway Exchange building, Milwaukee, Wis.; A. C. Smith, of M. E. Smith & Co., Omaha, Nebr.; J. A. Howell, Ogden City, Utah; J. M. Ashton, Tacoma, Wash.; J. W.

Clise, Seattle, Wash.; Charles G. Saunders, 95 Milk street, Boston, Mass.; Helen Osborne Storrow, Lincoln, Mass.; May Hallowell Loud, 82 Pinckney street, Boston, Mass.; William R. Thayer, 8 Berkeley street, Cambridge, Mass.; Frances Lee, 49 Brook Hill road, Milton, Mass.; Anne D. Blake, 265 Beacon street, Boston, Mass.; Alice A. Pearmain, 388 Beacon street, Boston, Mass.; George Alfred Williams, Chatham, N. J.; Frank D. Somers, 5 Park street, Boston, Mass.; Amy D. Blakeley, 255 Warren street, Roxbury, Mass.; M. A. Coe, 96 Chestnut street, Boston, Mass.; Anna I. Phillips, North Beverly, Mass.; Charles Hopkinson, Boston, Mass.; A. S. Hill, 1 Otis place, Boston, Mass.; Mrs. Richard Saltonstall, Chestnut Hill, Boston, Mass.; H. P. Kimball, 350 Otis street, West Newton, Mass.; Eleanor Tudor, 310 Marlboro street, Boston, Mass.; Henry Holt, Burlington, Vt.; M. Eloise Talbot, the Buckminster, Beacon street, Boston, Mass.; John C. Munroe, M. D., 173 Beacon street, Boston, Mass.; H. C. Hoskier, South Orange, N. J.; Helen Marshall, curator Slater Memorial Museum, Norwich, Conn.; Harriet Ross White and Emma S. White, 217 Newbury street, Boston, Mass.; Margaret Chanler Aldrich, 18 East Twenty-sixth street, New York City; J. Randolph Coolidge, Boston, Mass.; Carleton Sprague, Buffalo, N. Y.; Harriet E. Freeman, 37 Union Park, Boston, Mass.; Henry Copley Greene, 2 Newbury street, Boston; Henrietta Crosby, 304 Berkeley street, Boston, Mass.; Frank W. Pickering, 18 Broad street, Salem, Mass.; Eva Channing, Hemenway Chambers, Boston, Mass.; Mrs. James M. Crafts, 111 Commonwealth avenue, Boston, Mass.; Louise Dawson, 8 East Madison street, Baltimore, Md.; Mrs. James T. Fields, 148 Charles street, Boston, Mass.; Mary Ware Allen, 5 Garden street, Cambridge, Mass.; Frederick P. Vinton, N. A., 247 Newbury street, Boston, Mass.; Helen I. Muirhead, 6 Riedesel avenue, Cambridge, Mass.; Elizabeth Randolph Burr, Chestnut Hill, Boston; Newton Mackintosh, the Warren, Roxbury, Mass.; Katharine P. Loring, Prides Crossing, Mass.; M. J. Sitgreaves, Chestnut Hill, Mass.; J. Payne Clark, 71 Marlboro street, Boston, Mass.; Henry T. Bailey, North Scituate, Mass.; Mr. and Mrs. B. J. Lang, Boston, Mass.; Frank L. Bowie, secretary Portland Society of Art; A. J. C. Sowdon, 66 Beacon street, Boston, Mass.; William W. Justice, Germantown, Pa.; Caroline M. Parker, Charles River, Mass.; Marie Blake, Boston, Mass.; Thomas C. Corner, 260 West Bidle street, Baltimore, Md.; Grace Norton, 59 Kirkland street, Cambridge, Mass.; John A. Burnham, Boston, Mass.; Charles F. Thwing, president Western Reserve University, Cleveland, Ohio; Edith M. Howes, 1070 Beacon street, Brookline, Mass.; Sarah G. Putnam, the Charlesgate, 535 Beacon street, Boston, Mass.; Louis Prang, president Prang Educational Company, New York City; William B. Weeden, 158 Waterman street, Providence, R. I.; Prof. Aven Nelson, University of Wyoming, Laramie, Wyo.; G. M. Winslow, principal Lasell Seminary, Auburndale, Mass.; Louis B. Thacher, 131 State street Boston Mass.; Augustus C. Gurnee Bar Harbor Me.; Martha C. Thayer, 67 Sparks street, Cambridge, Mass.; Leon Collver, 420 Boylston street, Mass.; A. H. Griffith, director Detroit Museum of Art, Detroit, Mich.; Thomas M. Osborne, Auburn, N. Y.; Mary R. Sanford, 152 East Thirty-fifth street, New York City; Mary P. Gray, 25 Follen street, Cambridge, Mass.; R. C. and N. M. Vose, Boston, Mass.; Theodore F. Green, 15 Westminster street, Providence, R. I.; E. Woodward, president New Orleans Art Association, 1009

Hibernia Bank building, New Orleans, La.; T. Guilford Smith, regent University State of New York, 203 Ellicott square, Buffalo, N. Y.; Herbert Myrick, president and editor Orange Judd Company, 439 Lafayette street, New York City; Edward B. Green, 110 Franklin street, Buffalo, N. Y.; Henry Wilder Foote, Ann Arbor, Mich.; Louis C. Tiffany, Fifth avenue, New York City; I. Bell, Chicago, Ill.; Albion E. Lang, the Waldorf-Astoria, New York City; Walter Cranston Larned, 325 Dearborn street, Chicago, Ill.; R. C. Hughes, president Ripon College, Ripon, Wis.; Burton Mansfield, 179 Church street, New Haven, Conn.; Dr. J. M. Dutton, West Newton, Mass.; Mrs. Franklin Gordon Dexter, 171 Commonwealth avenue, Boston, Mass.; John W. Wrenn, 225 LaSalle street, Chicago, Ill.; George S. Palmer, New London, Conn.; A. J. Montague, Richmond, Va.; Dr. M. D. Mann, medical department, University of Buffalo, Buffalo, N. Y.; John Bapst Blake, M. D., 1415 Back Bay, Boston, Mass.; C. L. Strobel, 1744 Monadnock block, Chicago, Ill.; Joseph Prince Loud, 85 Water street, Boston, Mass.; Miles White, jr., 13 North street, Baltimore, Md.; George E. Fellows, president University of Maine, Orono, Me.; Ansley Wilcox, 684 Ellicott square, Buffalo, N. Y.; William H. Knowles, Pensacola, Fla.; J. B. Noel Wyatt, 207 East German street, Baltimore, Md.; Dr. Henry Barton Jacobs, 11 Mount Vernon place west, Baltimore, Md.; Charles Moore, Detroit, Mich.; A. D. F. Hamlin, executive head School of Architecture, Columbia University, New York City; Frank A. Barney and 40 others, Auburn, N. Y.; George W. Brown, Lincoln and Kneeland streets, Boston, Mass.; Spencer Trask, New York City; Henry J. Bowen, 469 Broadway, South Boston, Mass.; Dr. Charles Henry Miller, N. A., Queens, L. I.; A. W. Elson & Co., 146 Oliver street, Boston, Mass.; D. Blakely Hoar, 161 Devonshire street, Boston, Mass.; J. Duncan Upham, Claremont, N. H.; James R. Angell, president University of Michigan, Ann Arbor, Mich.; Martha C. Wells, Minneapolis, Minn.; Elizabeth Marbury, 1430 Broadway, New York City; Whitney Warren, 3 East Thirty-third street, New York City; John M. Carrere, 225 Fifth avenue, New York City; Clarence B. Humphreys, 272 Congress street, Boston, Mass.; C. Lawrence, Boston, Mass.; Isaac Jackson, 8 Congress street, Boston, Mass.; W. K. Richardson, 84 State street, Boston, Mass.

STATUARY.

[Paragraph 454.]

H. T. DEMPSTER, NEW YORK CITY, URGES THAT THERE BE NO INCREASE OF DUTY ON STATUARY.

NEW YORK, *December 18, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

SIR: I beg, on my own and the behalf of other importers of statuary and other works of art in marble, bronze, stone, and wood, to call your attention to the hardship that would result through any increase in the duty on these articles.

Were the idea carried out that duties should be levied on imports of these articles on the basis of their relative cost in the countries

of origin and the United States it would, in this particular instance, have the effect of destroying the industry entirely, because, particularly in the case of marble statues for cemetery, ecclesiastical, and general decorative purposes, it may be stated that no such industry is established in the United States and that none could be established. Not only does Italy (from whence the larger part of this work comes) produce the raw material, the artists, and the facilities generally for the production of these articles, but the economic conditions of the industry there are of such a nature as would preclude the possibility of its being transferred to this country. There is no marble produced in the United States that possesses the requisites for this class of work; there are few artists and fewer artisans here competent to produce this kind of work in its entirety, as is established by the fact that most of the works of American sculptors and artists are sent abroad to be put in marble. In order, therefore, to establish such an industry in this country it would be necessary to import the raw material, the artists, modelers, workmen, and handlers, and, taking into consideration the difference in the economic conditions existing between this country and Italy (for example), the enhanced cost involved in transplanting the industry in this country would completely destroy the already limited demand for these articles. Also, no other industry would be in any way benefited by the imposition of a heavier duty on these articles, and, as a matter of fact, the removal of the duty entirely would not only not harm any other industry but would benefit the community artistically by cheapening the cost of and widening the demand for works of art.

As a matter of official routine the Board of General Appraisers some years ago took the ground that works of art in marbles, such as statues, altars, etc., should be assessed as manufactures of marble and not as works of art. Their contention was negatived by several court decisions, and it was established by the courts of last resort that such works are essentially works of art and that the cost of such articles in the countries of production bears no relation to the value of the articles as works of art, because the economic conditions under which they are produced in the countries of origin are such as to make it possible and profitable to produce them.

I may add that these articles have a decided educational advantage and the community is benefited through their importation. Under the existing conditions many valuable works of art in marble are within the reach of individuals and communities, to the distinct advantage of all. Any increase in the duty would therefore so enhance the cost of these objects as to put them without the reach of all except the very well to do. This consideration alone should influence conservatism in the consideration of this matter.

I am, sir, yours, very truly,

H. T. DEMPSTER.

SIMPLE SKETCHES.

[Paragraph 454.]

NEW YORK, *December 4, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: HAVING read with interest the proceedings before the Ways and Means Committee on the adjustment of the tariff. I beg

to call your attention to what would seem to be the unfairness of placing a prohibitive tariff on the importation of simple sketches sent in from Europe as a pattern from which textile woven-silk goods are made.

It seems unjust to place a prohibitive duty simply on a design which is procured in order that business may be done in this country.

While our country has made rapid strides in all lines of endeavor, there are yet many good lessons to be learned from the Old World, and it seems unreasonable to stand in our own light by putting a tax on an opportunity which would enable us to raise the artistic character of any of our fabrics.

A silk designer sends to Europe for new designs. He receives these ideas in the form of sketches and works out a pleasing pattern for goods made in this country, which is a benefit not only to the manufacturer but to the mill worker and to all parties concerned.

Inasmuch as a designer does not as a rule receive any compensation for the sketch he makes in this country, I see no reason why we should curtail our opportunity for manufacturing high-class designs by prohibiting these imports.

By being gradually educated through the high-class designs of Europe it will not be many years before our artistic side may be so developed that our designers may be able to give lessons to the other side, and thus reverse the condition of affairs, which we could not otherwise do by being deprived of the educational advantages that a European design now affords us.

Trusting that you may consider favorably the suggestion made by me,

Yours, very truly,

FRANK CHARCOT.

THEATRICAL SCENERY.

[Paragraph 454.]

STATEMENT OF MAYER GOLDMAN, OF NEW YORK CITY, WHO ASKS FOR INCREASE FOR SCENIC PAINTINGS.

FRIDAY, *December 4, 1908.*

The CHAIRMAN. What paragraph are you speaking to?

Mr. GOLDMAN. Paragraph 454. I appear for the Association of Artists, which is composed of the leading scenic artists of New York City, which means, of course, the leading scenic artists of the country.

The CHAIRMAN. Why were you not here the other day when the other artists were here?

Mr. GOLDMAN. I am very sorry I did not know they were here. I was somewhat at a disadvantage, because it was yesterday afternoon late when I was requested to come here, and that was the first intimation I had that there was anything of this kind under discussion.

The CHAIRMAN. You had an idea that your articles came under "Miscellaneous"—articles on the free list. Proceed. You are not to blame for misapprehending what it was.

Mr. GOLDMAN. I did not understand this was on the free list. My point here on behalf of the scenic artists is to increase the tariff.

Mr. UNDERWOOD. What paragraph is that?

Mr. GOLDMAN. Section 454.

The CHAIRMAN. You want to increase it above 20 per cent?

Mr. GOLDMAN. Yes, sir. I might say, by way of explanation, that the membership of that association of artists is limited to about 15. I understand that those 15 scenic artists do about nine-tenths of the big scenic work of this country—theatrical productions—and they tell me that in the last few years the opera companies, like the Metropolitan Opera House in New York, have been getting in great quantities of scenery from the other side, which comes in under the duty of 20 per cent ad valorem. The only reference to a tax on scenery, theatrical scenery, comes under section 454, which is applicable to paintings. There is no specific classification of theatrical scenery. We think that there should be a particular classification of scenery, and my information is that the duty on the raw material, on the canvas on which this scenery is painted, is 45 per cent ad valorem, so that the finished product which comes in here, the scenery, pays less than one-half of the tax which is paid on the raw material. We think that is wrong. I am not prepared to state at this time just the particular figure to which they seek to increase the tariff, but we think at least the tariff on the finished product, on the scenery completed, should be more than the tariff on the naked canvas. I should like to have permission to file a brief with your committee. I will not burden you now with any further arguments, except to call attention to the discrimination between the canvas and the painted product.

The CHAIRMAN. You should get it in as soon as possible so it will appear in regular order in the hearings.

Mr. LONGWORTH. Would that not apply to any picture, as well as scenery?

Mr. GOLDMAN. Not any picture.

Mr. LONGWORTH. Why?

Mr. GOLDMAN. A picture, a painting, is unquestionably the work of one artist, while theatrical scenery requires the services of a number of men; particularly in the production of a grand opera the scenery there would require the services of a number of men. That labor can be secured much cheaper, I understand, on the other side. The difficulty is that the present tax, being an ad valorem tax of 20 per cent, scenery comes in here and the people who bring it in or have it brought in put a fictitious value on that scenery. Theatrical scenery has no market value, like a great many of the articles which are under discussion before your committee. It is a question of expert opinion, and in the absence of a competent, skilled man at the appraiser's stores, who can fix the value, the people who bring it in put on this fictitious valuation, and of course they do not pay the tax they would properly pay.

Mr. LONGWORTH. That does not answer my question at all. You based your argument on the fact that naked canvas paid a duty of 40 per cent and painted canvas scenery 20 per cent. That would be equally true of any picture?

Mr. GOLDMAN. Yes, sir.

Mr. LONGWORTH. Then you do not make that a part of your argument?

Mr. GOLDMAN. No, sir.

Mr. GAINES. Your distinction is that that kind of picture is a work of art, while the one Mr. Longworth refers to is more the work of a skillful mechanic?

Mr. GOLDMAN. Of course, the scene painter's work might be called a work of art.

Mr. DALZELL. Is the present duty assessed pursuant to some decision of the Treasury Department?

Mr. GOLDMAN. I do not understand so, sir. I understand that the present duty is assessed in the present tariff at 20 per cent ad valorem.

Mr. DALZELL. That is pursuant to some decision of the Treasury Department?

Mr. GOLDMAN. That I am unable to answer.

Mr. GRIGGS. What is the difference in cost between the canvas and the finished production?

Mr. GOLDMAN. I understand that the duty on the canvas is 45 per cent.

Mr. GRIGGS. I understand that, but what is the difference between the value of the canvas and the finished product?

Mr. GOLDMAN. Of course, that is largely speculative, as to the value of painted canvas. It would take an expert, and experts would disagree on the value of theatrical scenery.

Mr. GRIGGS. Is it not very greatly more; is it not worth much more?

Mr. GOLDMAN. The painted product?

Mr. GRIGGS. Yes.

Mr. GOLDMAN. That is our contention.

Mr. GRIGGS. Ten times as much, is it not?

Mr. GOLDMAN. I should say more than that.

Mr. GRIGGS. Twenty times?

Mr. GOLDMAN. Yes, sir; more than that.

Mr. GRIGGS. Forty?

Mr. GOLDMAN. It is a very difficult matter to estimate the proportion, because it would depend very largely on the quality of the workmanship and the artistic design and the coloring.

Mr. GRIGGS. Then if the tariff on the canvas is 45 per cent, that is 45 per cent of one-fortieth of the finished product?

Mr. GOLDMAN. I do not know that I follow you.

Mr. GRIGGS. Say that the canvas was worth a dollar, and the finished product worth \$40. Now, then, the 40 per cent on the canvas would be 40 cents, and the 20 per cent on the finished product would be \$8. Do you not think the difference between 40 cents and \$8 is sufficient protection?

Mr. GOLDMAN. There is hardly a standard by which you could estimate that. This is in a class by itself. It is a mighty difficult thing to determine the value of theatrical scenery. We know that thousands of dollars are spent in a production, and that scenery—

Mr. GRIGGS. I understand that, but we simply took that to illustrate. I thought you and I agreed on those figures of one to forty, say, as an average?

Mr. GOLDMAN. I would not undertake to make a positive statement on that subject, because I am unable to. I have no standard by which to gauge it. I say this, that theatrical scenery which may cost thousands and thousands of dollars outside of the production

for which it is used is hardly worth anything more than the canvas. The use in which it is employed really determines the value.

Mr. GRIGGS. It would not be made if it was not worth, or thought to be worth, that much.

Mr. GOLDMAN. In the production in which it is employed?

Mr. GRIGGS. Yes.

Mr. GOLDMAN. Yes, sir. But to determine the comparative value, I do not know any standard by which you can do it.

Mr. GRIGGS. Here is the point I am trying to get at. You do not intend for us to understand that an ad valorem duty of 40 per cent on canvas is anything like equal to a 20 per cent duty on the finished product?

Mr. GOLDMAN. No, sir.

Mr. GRIGGS. And therefore it is not fair to compare the two.

Mr. GOLDMAN. No, sir.

Mr. GRIGGS. Then you have nothing to do with the duty on canvas; you do not care anything about it?

Mr. GOLDMAN. No, sir.

Mr. GRIGGS. But you simply want to raise this to make the difference greater, which is already forty times as great, at least.

Mr. GOLDMAN. That is an arbitrary figure, of course.

Mr. GRIGGS. Yes, I understand that.

Mr. GOLDMAN. But we say if a duty of 45 per cent has got to be paid on the naked canvas, that the finished product, which requires a great deal of work and labor and art, should require a higher tariff.

The CHAIRMAN. Is that scenery painted wholly by hand, or partly by a mechanical process?

Mr. GOLDMAN. Entirely by hand.

The CHAIRMAN. Not by a mechanical process?

Mr. GOLDMAN. No, sir.

Mr. LONGWORTH. Do I understand you to advocate the placing in of another paragraph?

Mr. GOLDMAN. That was said in the nature of a suggestion.

Mr. LONGWORTH. You do not ask for an increase in the duty on art?

Mr. GOLDMAN. No, sir; we are only concerned with the question of theatrical scenery, which, under the present tariff, is covered by the classification of paintings. There is a great deal of theatrical scenery brought into this country which is bonded, I understand, under the provision which allows a manager returning from abroad to bring in theatrical scenery for use in the exhibition which he controls. We understand that that law is evaded constantly by some one going on the other side and coming back to this country with large quantities of theatrical scenery, and he says that he is the owner or proprietor of that exhibition. By giving bond that that property will be returned in six months in the same condition they get that in free. I can not at this moment give specific instances of how many times that has been done.

Mr. CLARK. The proper remedy for that would be to put that fellow in the penitentiary.

Mr. GOLDMAN. Very true.

Mr. CLARK. Why do you not inform the district attorney for the district of New York and set in motion some prosecutions for this constant swindle that goes on?

Mr. GOLDMAN. For the very reason, I might say, that I knew nothing about this until yesterday.

Mr. CLARK. Somebody knew something about it before yesterday or you would not have found it out yesterday.

Mr. GOLDMAN. The trouble is the scenic artists are bad business men, and they have permitted that business to go on for a long time.

Mr. CLARK. They seem to be pretty good business men if they are able to sneak this stuff in under such a pretext as you give there, and the proper remedy for it is to have the district attorney send some of those fellows to the penitentiary. That is exactly where they ought to be.

Mr. GAINES. The scenic artists do not sneak it in.

Mr. GOLDMAN. The scenic artists do not sneak it in, but we are the people who want to prevent that sort of thing.

Mr. CLARK. You have your remedy if you will go and inform the district attorney, and if you inform him and he does not discharge his duty, I will make a pilgrimage to the White House to see if we can not get him fired.

Mr. GOLDMAN. Thank you. But you are mistaken in this regard; the scenic artists are the ones who are complaining.

Mr. CLARK. You are one of the complainants, and I am telling you the remedy.

Mr. GOLDMAN. If I am permitted to continue in the same capacity with my clients, I hope to start proceedings at some time which will prevent some of these frauds, at least.

Mr. LONGWORTH. Is your whole contention that of undervaluation?

Mr. GOLDMAN. That is one source of our contention.

Mr. LONGWORTH. Would you say, as a general proposition, that theatrical managers buy their scenery abroad because it is cheaper or because it is better?

Mr. GOLDMAN. Because it is cheaper, sir.

Mr. LONGWORTH. That is the reason?

Mr. GOLDMAN. Yes, sir.

Mr. LONGWORTH. Then the whole proposition is the undervaluation proposition, is it not?

Mr. GOLDMAN. Well, that is the principal objection—the undervaluation.

Mr. GAINES. It is labor.

Mr. LONGWORTH. It is not labor? You can not bring in the question of foreign labor?

Mr. GOLDMAN. They get cheaper labor, of course, on the other side. They get art students from the various schools over there, who, I understand, get \$5 a month, and then later on get \$10 a month; and their young art students turn out cheaper work than our artists here.

Mr. LONGWORTH. Do not our art students turn out any of that work?

Mr. GOLDMAN. Very little.

Mr. LONGWORTH. Why not?

Mr. GOLDMAN. Not in that particular branch of painting. This is a class all by itself.

Mr. GRIGGS. Perhaps you had better start an art school and have some students.

Mr. GOLDMAN. That would be a good idea, sir.

Mr. GRIGGS. I am just making suggestions to you as their counsel, which you might make to them.

Mr. CLARK. Does your proposition run counter to the arguments of the distinguished artists who appeared here the other night in favor of free art?

Mr. GOLDMAN. Not knowing what their arguments were, sir, of course I can not answer your question.

Mr. CLARK. Their argument was that it would be a great uplift of American intelligence if we had free art.

Mr. GOLDMAN. We have no desire to uplift intelligence.

Mr. CLARK. No; you want to uplift the money. [Laughter.]

Mr. GOLDMAN. We want to uplift the tariff.

Mr. GRIGGS. He does not claim to be an artist. He is only a scenic artist.

Mr. CLARK. A verbal artist.

THE ASSOCIATION OF SCENIC ARTISTS ASKS THAT ALL THEATRICAL SCENERY BE COMPELLED TO PAY DUTY.

NEW YORK, *December 17, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

House of Representatives.

DEAR SIR: Supplementing the oral argument made by the undersigned before your committee on December 4, 1908, on behalf of the Association of Scenic Artists for an increase of the duty on theatrical scenery and for a different method of fixing such duty, I beg to submit the following statement, which is based upon information furnished by members of such association:

Under section 454 of the present tariff bill, scenery is imported under the classification of paintings, and pays a duty of 20 per cent ad valorem. For many years past large quantities of theatrical scenery have been imported by various theatrical managers, who grossly undervalue it, and as a result have paid a tax to the Government which was out of all proportion to the real value of the scenery. It is very difficult to put an established value on scenery, as the real value thereof depends largely upon the artistic skill, workmanship, and coloring employed by those producing it. By reason thereof it has been a comparatively simple matter for persons importing scenery to place fictitious valuations thereon, as a result of which the Government loses in the revenue which it should properly receive for duty. A strict ad valorem duty on scenery renders fraud possible, because of the expert knowledge required in the appraisal of such scenery, and such expert knowledge can only be supplied by scenic artists, thoroughly familiar with their work and accustomed to handling high-class scenic productions. The ordinary government appraiser assigned to appraise theatrical scenery, in the absence of such technical or expert knowledge, is not and can not be properly qualified to determine the real value of scenery where attempts are made to grossly undervalue the same.

Your petitioners therefore urge that the present ad valorem tax on scenery be abolished and that a specific tax be levied thereon on the basis hereinafter referred to.

The average price of European scenery is about $6\frac{3}{10}$ cents a square foot, which includes the canvas and the painting of all elaborate subjects. In the United States the same class of scenery on similar canvas and with the same character of subjects would cost from 18 to 20 cents per square foot. This variance of prices is based on the difference in the cost of labor here and abroad, the large rental for studios here, and higher cost of all materials used here.

Your petitioners therefore urge that a specific tax of from 12 to 15 cents per square foot be levied on all imported scenery, in order that the American scenic artists may receive proper protection.

Your petitioners also claim that large quantities of scenery are brought in, pursuant to paragraph 645 of the present tariff bill, which allows managers of theatrical exhibitions returning from abroad to bring in free of duty scenery used by them abroad for temporary use in their exhibitions here, provided that they give bonds to export the same within six months. This provision is designed to cover only secondhand or used scenery which has been employed abroad in the same production. It is a simple matter for unscrupulous persons to evade this provision and to actually bring into this country new scenery free of duty, under the claim that it has already been used abroad, and it is a simple matter for anyone arriving with such scenery to claim that he is the proprietor or manager of a theatrical exhibition in which such scenery is claimed to be used, and your petitioners believe that such frauds have been frequently perpetrated heretofore. Because of the comparative ease with which unscrupulous persons are able to bring in scenery free of duty under such provision, and the consequent defrauding of the Government out of the proper tax, it is respectfully urged that your committee recommend the abolition of this provision of paragraph 645 permitting scenery to come in free of duty.

Yours, respectfully,

MAYER C. GOLDMAN,
Attorney for Association of Scenic Artists.

THE NATIONAL ASSOCIATION OF THEATRICAL PRODUCING MANAGERS AND THE METROPOLITAN OPERA COMPANY OPPOSE INCREASE OF DUTIES ON THEATRICAL SCENERY.

NEW YORK CITY, *December 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives:

In the absence of any notice that the tariff act, in so far as it relates to theatrical scenery, was to be the subject of discussion before this honorable committee, we, the National Association of Theatrical Producing Managers, an organization embracing practically all the general theatrical interests and producers of America, employing over 50,000 people, and the Metropolitan Opera Company, of the city of New York, were unable, to our great regret, to appear and present oral argument in opposition to any increase in the present tariff on theatrical scenery and in favor of the retention, with the amendment hereinafter set forth, of paragraph 645 of the act, which provides—

That theatrical scenery, properties, and apparel brought by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibi-

bitions, and not for any other person and not for sale, and which have been used by them abroad, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe, but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in case application shall be made therefor.

The attack upon the present law is made by the "Association of Scenic Artists," consisting, as its counsel states, of 15 scenic artists who paint nine-tenths of the scenic work of the theatrical productions of this country. This statement by the association's own counsel that these 15 artists control nine-tenths of the entire scenic output for the theatrical productions of this country, is the most cogent and conclusive evidence of the eminently satisfactory workings and adequacy of protection under the present act and the lack of any need to tinker or meddle with it.

No single scenic artist, practical or theatrical man, conversant with theatrical affairs or scenery, or the cost of the raw materials of theatrical scenery, or the cost of manufacture, the value of the finished product, the basis of estimating such value, the nature, extent, and character of the importation thereof, appeared before this honorable committee to present a comprehensive, enlightened or intelligent exposition of the subject. No facts, figures, scientific, accurate or reliable information is furnished to this committee as a basis for changing a law that was enacted after careful investigation, much debate and deliberation.

The learned counsel for the Association of Scenic Artists, with unexampled recklessness in an harangue, and after opportunity for reflection, in a written communication addressed to this committee in effect branded the managers of American theatrical enterprises as smugglers and the customs officers of the United States as their accomplices. His argument consists of general, vague, and indefinite allegations and accusations. He makes wholesale charges of smuggling and violations of law, but does not mention the names of the offenders or their accomplices, the dates when and the ports at which such offenses took place. In his written communication to the committee he says: "The average price of European scenery is about 6 $\frac{3}{10}$ cents a square foot, which includes the canvas and the painting of all elaborate subjects. In the United States the same class of scenery or similar canvas, and with the same character of subjects, would cost from 18 to 20 cents per square foot". Where he got his information or upon what basis of calculation he obtained his figures as to the relative cost here and abroad he, for some inexplicable reason, fails to state. That he has no personal knowledge of the subject is clearly demonstrated from the colloquy between him and Representative Griggs. In the absence of authoritative information, this statement is not entitled to any weight.

As we had no notice of the appearance of the scenic artists before your committee until Friday, December 18, and then were allowed only to file a brief on this matter and mail the same to your committee by Wednesday, December 23, we are unable to submit the exact figures in this connection; but if your committee so desires, and will give us an opportunity to collect the facts, an accurate statement of the respective costs will be furnished.

Scenery is brought into America from abroad under but two conditions for dramatic productions: First, where the subject to be por-

trayed by the scenery is foreign and must either be made by a foreign scenic artist or by sending an American artist abroad to make the necessary models of the scenery and, second, in plays produced by foreign companies whose seasons are so short in America that it would be utterly impracticable to consider any production by them in the United States except with the scenery used abroad.

Under the scenery included in the first class it would be manifestly impracticable to send an American scene painter abroad for the construction of a single set of scenery.

To illustrate, in a production by Mr. Frohman of the play "Fluffy Ruffles," an act required the portrayal of the French town of D'Armandville. For the purpose of an artistic production an accurate representation of the town was desired. This could only be done by an artist actually familiar with the place. Not only would the expense be absolutely prohibitive in sending a scene painter of America to France, but the painter would necessarily be away from his work several weeks in the mere preparation of this single item. If there were fifteen acts required, according to the statement of the Scenic Artists' Association, there would be no one left in America to attend to the vast amount of scene painting required in this country.

As a matter of fact, less than 1 per cent of the scenery used by dramatic productions in America is of foreign import. The American manager desires to use American scenery whenever possible, as the stage and scenery construction of America is radically different from that abroad, the foreign scenery being constructed to meet the requirements of foreign theater construction, slanting stages, and without provision for meeting the constant shipment and handling of traveling attractions, and, consequently, for an American production the American manager never goes without the country except for the single purpose of producing an artistic and accurate representation of some foreign scene required by the play.

The burden of the argument of the counsel for the scenic painters was that opera companies, like the Metropolitan Opera House in New York City, have been getting in great quantities of scenery from the other side, which comes in under the duty of 20 per cent ad valorem, * * * and the people who bring it or have it brought in put a fictitious value on the scenery. The Metropolitan Opera Company resents most vigorously any such insinuation that it has undervalued any scenery imported by it, or that it is or has been guilty of any infraction of the tariff act, and in the absence of the substantiation of these charges, all reference to the Metropolitan Opera Company should be expunged from the record. The Metropolitan Opera Company is administered without any thought of pecuniary gain, but on the contrary its purposes are purely altruistic, to foster, encourage, and promote the musical art in this country. Its board of directors include such names as Edmund L. Baylies, T. De Wit Cuyler, Rawlins L. Cottenet, W. Bayard Cutting, George J. Gould, Robert Goelet, Eliot Gregory, Frank Gray Griswold, James H. Hyde, Otto Kahn, Clarence H. Mackay, H. McK. Twombly, W. K. Vanderbilt, Harry Payne Whitney, and Henry Rogers Winthrop.

The grand-opera performances of the Metropolitan Opera Company are to be distinguished from ordinary operatic productions. While the latter usually have long runs, grand opera is given for a season

averaging twenty-four weeks, and there are rarely more than a dozen performances of any opera during the entire season, and of some operas only three performances are given.

Some of these operas require for their production scenery of great magnificence and of very great cost, and if by a change of the law the cost of this scenery was further increased, it would, in view of the few performances given, be made impracticable to present these operas to the American public. The expense of new scenery would exceed by far the receipts of the performances.

It must be remembered that these operas have mostly lived their course and after the revivals will again be dormant for many years and the sceneries be fit only for the storehouse. Even the counsel for the association admitted "that theatrical scenery which may cost thousand and thousands of dollars, outside of the production for which it is used is hardly worth anything more than the canvas. The use for which it is employed really determines the value."

Scenery is adapted to and built for particular productions and can rarely be used for any different opera. If the tariff on scenery were increased, as requested by the Association of Scenic Artists, such revivals as undertaken by the Metropolitan Opera House would be impossible and the American public would be deprived of the benefit and advantage of seeing, hearing, and enjoying the old masterpieces. The European countries, with the exception of England, in order to encourage and promote the musical art, subsidize their opera houses. In America this must be done by subscriptions by public-spirited men. Productions of operas are made by the European subsidized managements on a very lavish and expensive scale. Frequently, upon the discontinuance of an opera, the entire production is sold at one-tenth the cost thereof and the cheapness of it often commends it to an American operatic management, which is thereby enabled to give a worthy presentation of the opera which would otherwise be impracticable.

The learned counsel for this Association of Scenic Artists further said:

We understand there is a great deal of theatrical scenery brought into this country which is bonded under the provision which allows a manager returning from abroad to bring in theatrical scenery for use in the exhibition which he controls. The law is evaded constantly by some one going on the other side and coming back to this country with large quantities of theatrical scenery, and he says that he is the owner or proprietor of that exhibition. By giving bond that the property will be returned in six months in the same condition, they get that in free.

It is strange, indeed, that this zealous counsel did not call the attention of the authorities to this fraud, to secure a conviction; it is inconceivable that with his preparation for these hearings and with his abundance of opportunity for research and investigation on the subject, and the aid and assistance which he surely would have received from the Treasury Department, he made no effort to secure the name of at least one person who was guilty of these wholesale frauds.

Is it not most probable that this gentleman was carried away by his zeal and did not mean what he said? In his more sober moments, and when he had a chance to weigh his words by writing them, he says in his brief that under paragraph 645 "it is a simple matter for unscrupulous persons to evade the law." He does not say that anyone is evading the law.

This paragraph is a very beneficent one and is designed to enable the American people to see and hear distinguished foreign artists, actors, and actresses in their great plays. It is a common thing for world-renowned foreign actors to tour America with their companies. Sir Henry Irving, with a repertoire of fifteen plays; Salvini, Novelli, Mme. Duse, Mme. Bernhardt, M. Coquelin, The Irish Players, The Sicilian Players, with their large repertoires, and others, have come here and have given to American audiences much pleasure and instruction.

To produce each of these plays has required an outlay probably in excess of \$25,000, or, let us say, something over \$300,000 for the productions to be presented under a short engagement to the American audiences. These figures would be many times the profits of the foreign production, and if the companies may not bring in their scenery under bond without a question the American public will be denied an opportunity of seeing the best artists from foreign countries.

This paragraph is hedged in with safeguards against fraud and was enacted into law with the idea of enabling and encouraging foreign artists to visit us and exhibit to us their art.

A most serious consideration to the general theatrical producer and the various interests dependent upon them is that the granting of the request of the scenic artists would result in a loss of the reciprocal grant on the part of Canada with the American producer. An average of at least five weeks' work per year for something like 30,000 people depends exclusively upon the right of the American producer to carry his play into Canada under the terms America now affords the foreign organizations. Canada obtains practically all of her dramatic amusements from the United States. The theatrical producer of the United States takes his scenery and properties into Canada under bond, and under the recent grant that bond is made sufficient to cover these effects even though the manager, for his own convenience, plays at one time on the Canadian side and later in the United States and then again in Canada. The actors and theatrical employees to the extent of 30,000 will be deprived of a considerable portion of their season's work for the benefit of a few scenic artists who would gain absolutely nothing from the enactment of the provisions they desire, as it would be much cheaper to have a foreign painter familiar with the scene to come to America than to send the American painter abroad. The real result, so far as scene painting is concerned, would mean a deterioration in the plays presented, as the producer could no longer afford to make the artistic and accurate presentation now given.

The actual cost of scenery imported from abroad, which, as heretofore stated, is not as satisfactory for the purposes of the producer as scenery built in America, is equally as great or greater when the gross expense of securing this scenery is considered, for there is not only the cost of the construction to be reckoned, but freight to America, insurance, hauling and delivery, injury in long transportation, handling, and other expenses incidental to the delivery of the scenery to the American producer. It always arrives in damaged condition and must be overhauled and retouched by the American scene painter. That this scenery can not be undervalued in its

import would seem to be beyond question. The foreign scene painter attaches his bill and swears to it before a proper officer, and this information is before the appraiser when the scenery reaches America. It is inspected by competent officials, who not only have the scenery itself before them, but the sworn statement and bill of the constructor in the foreign country.

We desire an amendment in the proviso of chapter 645, so that the same shall read:

Provided, That the Secretary of the Treasury may in his discretion extend such period for a further term of six months, or for the season of the play for which such articles were imported.

This amendment is necessary because the time limit for the exportation of the production frequently expires in the midst of the successful run of the play or opera. It thus becomes impracticable to give further performances, and a large number of persons are thereby deprived of employment which they could have otherwise enjoyed.

NATIONAL ASSOCIATION OF THEATRICAL

PRODUCING MANAGERS,

By LIGON JOHNSON, *General Counsel.*

METROPOLITAN OPERA COMPANY,

By NATHAN BURKAN, *Counsel.*

PEAT MOSS.

[Paragraph 455.]

**BRIEF SUBMITTED BY ATKINS & DURBROW, NEW YORK CITY,
ASKING THAT PEAT MOSS BE PLACED ON FREE LIST.**

160 PEARL STREET, NEW YORK CITY,
November 14, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Peat moss is a vegetable product, taken from the surface of a special kind of peat bog found in Europe, but none of any account is exported except from Holland. There are no such beds found in the United States which can be used commercially for the same purpose. It is used as a sanitary bedding for horses and cattle and in the manufacture of hoof stuffing for horses, and is imported by several firms in the city of New York.

For the year ending June, 1907, there were imported 7,605 tons, of the value of \$44,461, and at the port of New York for the year ending June 30, 1908, 6,740 tons, of the value of \$39,235, were entered. The duty is \$1 per ton.

There is absolutely no domestic raw product with which it competes and no manufactured article which serves quite the same purpose the production of which is hindered, damaged, or injured by using peat moss as outlined herein.

The only effect of the tariff is to increase the cost to the domestic consumer.

It is respectfully submitted that peat moss be placed on the free list.
Respectfully submitted.

WALTER DURBROW,
Of ATKINS & DURBROW.

**H. A. FORBES & CO., NEW YORK CITY, ASK REMOVAL OF DUTY
FROM PEAT MOSS FOR HORSE BEDDING.**

NEW YORK CITY, *November 14, 1908.*

HON. SERENO E. PAYNE, M. C.,

Chairman Ways and Means Committee, Washington, D. C.

SIR: We respectfully request the removal of present import duty on crude moss for horse bedding; cost, \$8 per ton, and taxed (at time of measure, "for revenue only") \$1 per ton, or 12½ per cent of value.

This article is not mined in the United States, and having virtues of peculiarity to itself which no other stable bedding possesses it in no measure infringes upon any American product. It is not a staple as yet, and needs the assistance of all who are concerned in order to increase the consumption of this good bedding in favor of importers, transportation companies, draymen, and laborers, and more especially to largely assist the perfect sanitary conditions of our dairies and stables generally. Prior to the government tax and the increased inland freight rates importations were approximately 10,000 tons annually as against only 7,000 tons per annum at this time.

Any further data in this connection that may be required by your honorable committee will be furnished by us at any time upon request.

Very respectfully,

H. A. FORBES & Co.

**STATEMENT OF MONTAGUE LESSLER, OF No. 31 NASSAU STREET,
NEW YORK CITY, RELATIVE TO PEAT MOSS.**

FRIDAY, December 4, 1908.

Mr. LESSLER. I want to say a word on the subject of section No. 455 of the tariff act relative to peat moss, upon which there is a duty of \$1 a ton. We are asking to have it placed upon the free list.

Peat moss is a vegetable product, taken from the surface of a special kind of peat bog found in Europe, but none of any account is exported except from Holland. There are no such beds found in the United States which can be used commercially for the same purpose. It is used as a sanitary bedding for horses and cattle and in the manufacture of hoof stuffing for horses, and is imported by several firms in the city of New York.

For the year ending June, 1907, there were imported 7,605 tons of the value of \$44,461, and at the port of New York for the year ending June 30, 1908, 6,740 tons of the value of \$39,235 were entered. The duty is \$1 per ton.

There is absolutely no domestic raw product with which it competes and no manufactured article which serves quite the same purpose the production of which is hindered, damaged, or injured by using peat moss as outlined herein.

The only effect of the tariff is to increase the cost to the domestic consumer.

It is respectfully submitted that peat moss be placed on the free list.

In the tariff hearings on the Dingley bill originally, under date of January 11, 1897, a gentleman from Chicago, Ill., appeared and

stated that this industry, that of domestic peat moss, served a purpose which should have a protection of \$4 a ton.

Mr. BOUTELL. What was his name?

Mr. LESSLER. Mr. W. Golden. He appeared it seems for the Wisconsin Cranberry, Moss, and Peat Company and predicted that if this \$4 per ton was put on this production, quite an industry could be built up. I am advised that no such industry has been built up, and that on the other hand these peat-moss beds in Wisconsin and out in that country are used now for paper making, and not for the purpose that I have indicated here.

I would like to ask the committee to hear Mr. Durbrow for about two minutes.

The CHAIRMAN. You say that peat moss is used as a bedding for animals?

Mr. LESSLER. Yes, sir; for horses, cows, and cattle.

The CHAIRMAN. Anything besides that?

Mr. LESSLER. Yes, for hoof stuffing. They combine this product with greases and oils and use it for stuffing the hoofs of horses and that is all.

Mr. CLARK. As I understand it you take peat moss and mix it with oils of some kind, and greases, and put it under the hoofs of horses. Do you know what kind of oil is used for that purpose?

Mr. LESSLER. Mr. Durbrow can tell you.

Mr. CLARK. The reason I asked was that that is a very common affliction of horses, when their feet get dry and it is hard to keep their shoes on; and it finally develops into what might be called corns on their feet. It seems like a ridiculous proposition, but it is the truth.

Mr. LESSLER. You can ascertain in regard to that from Mr. Durbrow.

**STATEMENT OF WALTER DURBROW, OF No. 160 PEARL STREET,
NEW YORK CITY, RELATIVE TO PEAT MOSS.**

FRIDAY, December 4, 1908.

Mr. DURBROW. I desire to take up but very little time of the committee. The original peat moss was brought in free of duty, and at that time we imported about 15,000 tons a year. As Mr. Lessler says, the duty was put on, and the imports have fallen down to about 8,000 tons. Out West they claimed that they had peat moss, and that they could manufacture it if they were protected. As a matter of fact, they never have had commercial peat moss out there for our purposes, and they never have come into the market with their product. Our only object in trying to get this duty off is to extend the business, which would be to our benefit and also to the benefit of the consumer, as peat moss is about the best bedding that can be put under a horse. My object in coming down was so as to be able to answer any questions that might be asked with regard to the matter. I will give you any information that I have. I have samples here of the two products, if you would like to see them, the domestic and the foreign, which will show you absolutely that they can not be used for the same purpose.

Mr. BOUTELL. I understand that this was not free under the Wilson Act, but it was under the McKinley Act?

Mr. DURBROW. Under the McKinley Act; yes, sir.

Mr. CLARK. Are you the gentleman who knows about the practical operation of this?

Mr. DURBROW. I have been in the business for twenty-three years.

Mr. CLARK. How do you fix it so as to keep the horse's hoof from drying up?

Mr. DURBROW. We make a paste by using crude vaseline and coal oil, glycerine, and carbolic acid. The peat moss serves to hold those things together, with the tannin and other things in the peat moss.

Mr. CLARK. Do you manufacture the article?

Mr. DURBROW. Yes, sir.

Mr. CLARK. Where do you put it, in the frog of the hoof?

Mr. DURBROW. Yes, sir.

Mr. CLARK. How do you keep it in there?

Mr. DURBROW. It is packed in there and allowed to remain while the horse is standing in the stable.

Mr. CLARK. I had a buggy horse nearly ruined that way, and I got a paint bucket, filled it up with linseed oil mixed with meal, and I would pick up his feet and put that in the hoof to keep them from becoming dry. I would have to do that with the horse every two or three days.

Mr. DURBROW. I will send you some of it, Mr. Clark. That is the case with most of the products for that purpose, and they harden in the end rather than soften. But I can overcome that difficulty.

The CHAIRMAN. This is imported at about \$6 or \$7 a ton, is it not?

Mr. DURBROW. About \$8 a ton.

**BRIEF FILED BY WALTER DURBROW, NEW YORK CITY, ASKING
REMOVAL OF DUTY FROM PEAT MOSS.**

160 PEARL STREET, NEW YORK CITY,
December 8, 1908.

The WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: We desire to call your attention to the following points in regard to peat moss, which were not touched upon at the hearing on the 4th of December, 1908, in order not to take up the time of the committee.

Peat moss is a sanitary stable bedding, noncombustible, which acts as a deodorizer. Its use is desirable from two standpoints of safety—in regard to fire and to keep the air and surroundings of cattle and horses pure and clean.

Under the Dingley bill peat moss (free under the McKinley and Wilson tariffs) was made to pay a duty of \$1 per ton, in order to protect the manufacturer or producer.

So far as we have been able to learn, little or no domestic peat moss has been marketed, as such samples as have been sent us are entirely unfit for the purposes of stable bedding.

It was claimed before the Ways and Means Committee at its hearings on the Dingley bill in December, 1896, that there were beds of peat moss in Wisconsin. Admitting this to be a fact, owing to the

freight rates there can be no competition between the domestic and imported peat moss.

Since the Dingley bill there have not been 500 tons of peat moss sent over 250 miles from the seaboard, and for the same reason whenever peat moss has been produced from western bogs it could not be marketed at the seaboard.

The freight rate from Milwaukee to Buffalo is \$4.20 per ton in carload lots and \$7.50 per ton for less than a carload; to New York \$6 per ton in carload lots and \$9.50 per ton in quantities less than carloads.

Experience has taught us that it is impossible to sell peat moss at the delivered point for over about \$11 per ton, so it will be seen that with the freight rate of from \$4.50 to \$7 per ton in carload lots, it has been and would be impossible to sell western moss in the East and vice versa.

It was claimed before the committee at the hearing on the Dingley bill that the average selling price per ton was \$30. The truth is that the average price for the past ten years has not been over \$9.50 per ton and with the freight rates in the shape they are in no business can be had at a shipping point beyond 200 miles, so that from the viewpoint of a protective tariff the duty is absolutely unnecessary.

Under the Dingley tariff not more than 8,000 tons has been imported, on which the duty has been about \$8,000. On the question of revenue this is not of much moment, but taken in connection with the cost of weighing to the Government the revenue is much smaller.

While the so-called McKinley tariff was law, the Government charged the cost of weighing to and compelled its payment by the importer. This was fixed at 3 cents per 100 pounds or 60 per cent per ton. If these figures still obtain, the net revenue to the Government on a ton is 40 cents, making the entire duty collected for a year about \$3,200. It must be kept in mind that the nature of the material itself makes the difficulty.

It seems very desirable from the sanitary viewpoint that the sale of this article be extended among business stables, farmers and dairies near the seaboard, and it is respectfully submitted that that situation will be helped by taking off the duty.

Respectfully submitted.

ATKINS & DURBROW,
By WALTER DURBROW.

J. R. POOLE, OF BOSTON, MASS., ASKS REMOVAL OF DUTY FROM PEAT MOSS USED AS STABLE BEDDING.

BOSTON, *December 17, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Being the most extensive dealer in peat moss in the city of Boston and near-by towns, I would respectfully ask that in revising the tariff that same be put on the free list. Peat moss now

pays a duty of \$1 per ton. There is no American product of the same nature with which this article competes. The only effect of the duty is to raise the price to the consumers, who are truckmen, expressmen, stable keepers, and farmers in the immediate vicinity of the large seaboard cities. As a revenue measure it means nothing to the Government, as the total importations to the port of Boston is only 900 tons per year. I believe, however, with the duty removed the business could be considerably increased, resulting in a benefit to the community through the more general use of the only sanitary stable bedding known.

Yours, respectfully,

J. R. POOLE.

F. R. STEVENS, GENEVA, N. Y., ASKS FOR INCREASE OF DUTY ON PEAT MOSS TO THREE DOLLARS PER TON.

GENEVA, N. Y., *January 9, 1909.*

HON. SERENO E. PAYNE,

Chairman Tariff Commission, Washington, D. C.

DEAR SIR: You have before you an application for the reduction of the duty on peat moss from the \$1 per ton now imposed by this Government. We protest against this reduction and urge that the duty be raised to \$3.

About 8,000 tons of peat moss were imported through the custom-house in New York during the past year. The demand for this product is growing and its production is bound to be an important industry.

We have in this country thousands of acres of peat moss equal in quality to that now imported.

In only one place in the United States is there any attempt to put this moss on the market. Our labor conditions and climate are different from those of the Old World, and the problems of economic production of this moss for bedding, packing for nurseries, etc., must be worked out in a manner applicable to this section. This is an infant industry and needs protection for a few years until the problem has been worked out.

The cheapest labor of Europe is employed in preparing peat moss. We can not hire labor for this work at less than three times the price paid abroad.

This moss should be produced in this country for two reasons. It necessitates the drainage of bogs, which improves sanitary conditions. It takes the loose coarse peat from the top of the bog, leaving a drained area of muck, which is the best of agricultural lands.

We need this duty of \$3 per ton. Its imposition would harm no one in this country. It is an infant industry which needs protection, and we respectfully urge that you give it your support.

Sincerely, yours,

F. R. STEVENS,
Director American Peat Society.
Per A.

LEAD PENCILS.

[Paragraph 456.]

JOSEPH DIXON CRUCIBLE CO., CRYSTAL RIVER, FLA., ASKS RETENTION OF PRESENT DUTY ON LEAD PENCILS.CRYSTAL RIVER, FLA., *November 21, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: We understand that the tariff will shortly come up for discussion, and we would request of you not to make any change in Schedule N, paragraph 456, for the following reasons, viz:

1. Since the last tariff went into effect the Dixon Company has invested a great deal of money in the purchase of cedar lands, and we represent a great number of farmers in this city in the purchase and sale of timber. This timber is used almost exclusively in the manufacture of lead pencils. The Dixon Company owns a large mill here in Crystal River and have a financial investment in other mills, as well as taking the output of still other cedar mills.

2. The Dixon Company is now engaged in the growing of red-cedar timber for lead pencils, and in the purchase and sale of same, and in the manufacture of boards ready for the manufacture of pencils.

While we speak for ourselves in this specific matter, yet we speak for many others as well, and we would ask you to bear in mind that in the tariff question nearly all the southern people are high protectionists and don't wish any change in the tariff.

3. If the tariff on the above paragraph is reduced, many of the cedar mills will have to shut down, as lead pencils made out of cheaper and poorer wood would then be imported from foreign countries, to the great detriment of southern farmers engaged in this industry.

4. Aside from the mill industry, the timber land on which this cedar is grown has more than doubled in value, and we can see no reason why the farmers and others who are owners of this land should suffer by reason of a reduction in the tariff. The farmers, especially, have to depend almost entirely for the sale of this product on those who manufacture lead pencils.

Respectfully,

JOSEPH DIXON CRUCIBLE COMPANY.

By C. E. HERRICK, *Manager.*

Letters similar to the above were received from the following: Houston & Liggett, by W. G. Liggett, Houston, Tex.; Hudson Lumber Company, by J. A. Elledge, manager, Springfield, Mo.

O. F. CHICHESTER, FREDERICA, GA., REQUESTS THAT PRESENT DUTIES ON PENCILS AND PENHOLDERS BE RETAINED.FREDERICA, GA., *November 21, 1908.*

HON. SERENO E. PAYNE,

Washington, D. C.

DEAR SIR: I am the owner of Little St. Simons Island, in this State, and in view of the new tariff desire to state that I have

invested a large amount of money in acquiring this island for the purpose of cutting the cedar timber.

I would respectfully request that no change be made in the tariff on lead pencils and penholders, and I have an important contract with one of the large pencil manufacturers to deliver them this cedar which it would be impossible to carry out for any fair remuneration if pencils could be imported from Germany. In making this request I represent other farmers who own land containing pencil cedar out of which slats are made in the mills for pencils.

I hope that you will protect us in order to enable us to start a mill and thus employ a good deal of labor which is now idle, as there are no manufacturing industries in this neighborhood.

Yours, respectfully,

O. F. CHICHESTER.

BRIEF SUBMITTED BY IRVING P. FAVOR, REPRESENTING L. & C. HARDTMUTH, PENCIL MAKERS, BUDWEIS, AUSTRIA, RELATIVE TO LEAD PENCILS.

WASHINGTON, D. C., *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: My appearance before your honorable committee is for the purpose of inducing you to effect a change in the present tariff laws which will bring about a reduction in the tariff on lead pencils.

The present tariff practically prohibits the importation of medium and ordinary grade foreign-made pencils, as nothing but the highest quality of pencils can enter this country and find any market at the present time, and even pencils of the highest grade find the present tariff almost prohibitive. The purpose of the United States Government to obtain a revenue through the tariff returns is thus thwarted on lead pencils by the fact that the medium and ordinary grade goods can not enter.

It appearing that an import revenue tariff is a part of the settled fiscal policy of this Government, I believe that such tariff should be protective, but not prohibitive. I further believe that after the customs duties have been paid on foreign products, such products should be permitted to enter this country and find in this market only just and fair competition with American-made goods.

The raw materials entering into the manufacture of foreign lead pencils are largely purchased in the American market. My firm, L. & C. Hardtmuth, of Austria, purchase all their cedar in this country, as well as other raw material, and all foreign makers come to this country for their cedar and for a large portion of their graphite. After thus buying raw materials in this country of American producers we should not be barred, through the tariff, from bringing our finished products back into the country.

I ask for a just and equitable revision, and would suggest if, in the opinion of your honorable committee, a specific rate is necessary in addition to an ad valorem rate, that the rates in the new bill be made not to exceed 20 per cent ad valorem and not more than 25 cents

per gross specific. Anything in excess of these figures absolutely prohibits the importation of anything but the very highest quality and most expensive goods, even though the raw materials have been purchased in the American market of American producers.

Respectfully submitted.

IRVING P. FAVOR,
*Representing L. & C. Hardtmuth,
Pencil Makers, Budweis, Austria.*

**PHILIP BEROLZHEIMER, NEW YORK CITY, ASKS THAT PRESENT
DUTIES ON LEAD PENCILS BE RETAINED.**

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I respectfully request that paragraph 456 be not changed in the pending tariff for the following reasons:

Labor in the pencil industry in America is 400 per cent higher than in Germany and Austria and 300 per cent higher than in England. The actual wages paid in the month of September, 1908, in factory of Eagle Pencil Company, London, England, were \$10 per month per person, and during the same month in the factory of the Eagle Pencil Company, New York City, they were \$37 average, manufacturing the same class of goods.

Importations of pencils to the United States since the present tariff went into effect have increased almost four times as much. (Comparison attached.)

Raw materials are imported to a considerable extent, subject to duties, freight, and profit to the importer. I would mention clay, dry colors, slate, shellac, bronze powder, gold and silver leaf, etc.; all graphite must be imported.

Cedar wood for lead pencils in this country comes from the Southern States. Many slat mills have been erected who buy this wood from the farmers and, after cutting it into various sizes, sell it to the pencil factories. These mills have been flourishing and the farmers are receiving good prices for their wood. A reduction of the tariff means the shutting down of mills, as European pencils made of linden and other woods would take the place of the southern product. (See letters attached.)

Japan has established in recent years between 30 and 40 pencil factories, and of late has adopted improved machinery purchased in Germany. Most of the hand labor is done by servants, children, and coolies at home, and is about one-tenth of the American labor, paid in silver. Lately their goods have reached the Pacific coast (samples submitted), consisting of such infringements as to make it almost impossible to distinguish these goods from the American product. For these reasons we were compelled to establish a factory in England two years ago.

Submitted by—

PHILIP BEROLZHEIMER,
377 Broadway, New York.

(Representing American Lead Pencil Company, Eagle Pencil Company, Eberhard Faber, Jos. Dixon Crucible Company, O. F. Chichester, Hudson Lumber Company.)

**BUSINESS MEN OF LEWISBURG AND MURFREESBORO, TENN.,
ASK RETENTION OF PRESENT DUTY ON LEAD PENCILS.**

WASHINGTON, D. C., *November 28, 1908.*

HON. SERENO PAYNE, *Washington, D. C.*

DEAR SIR: We, the undersigned business men of Lewisburg and Murfreesboro, Tenn., most respectfully ask that, as chairman of the Ways and Means Committee, you submit the following facts to the consideration of your committee:

For a number of years the cedar-pencil industry has thrived in several counties of middle Tennessee; especially is this true in our own county.

The American Lead Pencil Company has a plant here that gives employment to 150 to 200 employees. These employees are paid \$1,000 per week, and, as a matter of course, this money is spent here in our town.

In addition to that the farmers are continuously receiving money for their timber, thus enabling them to have some ready money the year round, changing the rule that formerly existed of having money once a year—when they sold their crops.

From \$100,000 to \$200,000 is paid in this town for such cedar yearly.

A reduction of the tariff on lead pencils of course would naturally tend to lower wages for the employees, and our farmers would get less for their cedar. Not only this county, but various localities in the South would suffer by a reduction of the schedule.

In view of the above facts we respectfully ask your committee not to change the present schedule.

Very respectfully,

JO WHEELER ET AL.

**SUPPLEMENTAL BRIEF OF PHILIP BEROLZHEIMER, NEW YORK
CITY, RELATIVE TO DUTY ON LEAD PENCILS.**

NEW YORK, *December 3, 1908.*

HON. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: Referring to the brief of I. P. Favor, representing the Austrian pencil makers, L. & C. Hardtmuth, filed November 28, 1908, I desire to contradict certain statements contained therein, supplementary to my brief of same date.

No graphite of any kind is mined or known to exist in the United States suitable for the manufacture of pencils. By far the greatest part of this raw material is mined and shipped from Budweis, Austria, at which place the pencil factory of L. & C. Hardtmuth is located. The only other graphite mine supplying pencil factories is located in Sonora, Mexico, and is owned by American interests. The graphite from this mine is shipped wholly or in part to Saginaw, Mich., whence, after being assorted and graded, it is reshipped to various parts of the world.

The statement that the present tariff prohibits the importation of medium and ordinary grades of foreign-made pencils is also incorrect. The published circulars of the Treasury Department prove the

importation of many low-priced pencils, as low as M. 1.80 per gross (about 43 cents) from foreign countries.

A specific and ad valorem duty on pencils has been in force here for many years in the McKinley bill, to wit, 50 cents per gross and 30 per cent ad valorem. The Wilson bill changed the tariff to 50 per cent ad valorem, without specific, and had as a consequence, gross undervaluations and frauds, which were practiced during the Wilson bill for many years by certain foreign pencil makers. Of the great number of additional duties paid and fines imposed under the Wilson tariff by the United States Board of General Appraisers, I will mention only one, amounting to almost \$40,000 (see Treasury Department Circular No. 40, hereby attached). In the Dingley bill the tariff was changed back to what it was in the McKinley bill, with the exception of a slight reduction (to wit, 45 cents per gross and 25 per cent ad valorem). This change was made at the suggestion and by advice of Colonel Tichenor, then president of the United States Board of General Appraisers.

Mention is made in government reports of the exportation of lead pencils from the United States to Canada and other countries. Investigation shows that nearly all the shipments to Canada shipped as lead pencils were in reality stationery novelties. The freight rate for lead pencils, which go under the commodity rate, being 33½ per cent less than stationery and novelties, which go under a class rate. No American pencils of any kind are shipped to the European Continent, Asia, Africa, Australia, or to South America, unless it be a very small amount, of less than \$1,000 per annum, by local dealers in connection with other stationery, which I can not trace. Mexico and Cuba buy American pencils in small quantities, mostly for the use of their Governments, on account of prompt deliveries, which can be made from this country. The only exportation of pencils to England is now made by the Eagle Pencil Company, shipping pencils in small quantities, in the rough, to their branch factory in London, where the goods are finished on account of the great difference in labor.

Respectfully submitted.

PHILIP BEROLZHEIMER.

(Representing: American Lead Pencil Company, Joseph Dixon Crucible Company, Eberhard Faber, Eagle Pencil Company, O. F. Chichester, Houston & Liggett, and Hudson Lumber Company.)

PENCIL LEADS.

[Paragraph 457.]

REPRESENTATIVES OF MANUFACTURERS OF LEAD PENCILS ASK FOR COMPOUND DUTIES ON LEADS.

377-379 BROADWAY, NEW YORK,
January 7, 1909.

HON. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Black leads for pencils are made of graphite and clay. The number of operations is so great that it requires from three to

four weeks to complete the finished stick. The actual cost of labor on a gross of leads is three times the cost of the materials used, and averages 14 cents against a 3-cent cost in Germany. This cost of labor increases in proportion to the increased diameter of the lead.

Attention is called to the fixed charges, which are in most cases higher than in Germany, Austria, or England, such as rent, power, insurance, and management.

This condition indicates the absolute necessity of a specific duty in addition to an ad valorem rate, in order to protect the American manufacturer only in so far as to put him on an equal basis with the foreigner.

Colored and copying leads: The American manufacturer pays 8 cents duty per pound of milori blue and other colors used for colored leads, and 30 per cent ad valorem for methyl violet, used for copying leads, which is equivalent to 15 cents duty per gross of leads, to say nothing of the labor, which is from four to five times that of Germany, Austria, or England. At the present ad valorem rate of 10 per cent a profitable industry may be developed by importing leads for the purpose of extracting the colors. The following duties imposed upon pencil leads (paragraph 457) would simply equalize the difference in labor here and abroad, viz: Black leads, 10 cents per gross and 10 per cent ad valorem; colored, copying, or other pencil leads, 10 cents per gross and 25 per cent ad valorem.

Respectfully submitted.

PHILIP BEROLZHEIMER,
*Representing American Lead Pencil Co., Eagle
 Pencil Co., Joseph Dixon Crucible Co., O. F.
 Chichester, Houston & Liggett, Hudson Lum-
 ber Co.*

PHOTOGRAPHIC FILMS AND PLATES.

[Paragraph 458.]

STATEMENT MADE BY F. ERNEST CRAMER, OF ST. LOUIS, MO., RELATIVE TO PHOTOGRAPHIC DRY PLATES.

SATURDAY, November 28, 1908.

Mr. CRAMER. Mr. Chairman and gentlemen of the committee, I realize that your patience has been sorely tried by the voluminous arguments that have been presented to you, not only during the day, but during the last three weeks, and I can appreciate what that means, because, like yourselves, I am a member of a legislative body. I have the honor of being a member of the city council of St. Louis, where frequently we call public hearings on important public bills, at which times many citizens appear who ask to be heard on both sides of the question. For that reason I am going to be as brief as I possibly can.

Mr. GRIGGS. You have almost used up your five minutes already.

Mr. CRAMER. Before I begin I want to bring to you, Mr. Chairman, a message from a man who is well and favorably known to each

and every member of your committee. I refer to your distinguished colleague, my very good and esteemed friend, the Hon. Richard Bartholdt. Mr. Bartholdt sends to you a message of greeting and also a message of regret at his inability to be present with you to-day on account of illness.

Mr. GRIGGS. Will you file that, please. [Laughter.]

Mr. CRAMER. If I am not interrupted quite so often I will get through quicker.

The CHAIRMAN. The gentleman will please not interrupt him.

Mr. GRIGGS. I will not interrupt you at all, sir.

Mr. CRAMER. I appear here in behalf of the dry-plate industry. Our business, in comparison to the shoe business, in the volume of business we do, can probably properly be termed an "infant" industry, and, as such, claims the protection of the Government. Under the Wilson bill the duty on glass was fixed at 1 cent a pound; that is, the glass under 10 by 15 inches. I will not refer to the sizes above that. We are willing to have the duties on those remain as they are. In the Dingley bill that duty has been advanced to 1½ cents a pound, an advance of practically 50 per cent. On gelatin, which is also one of our principal raw materials, the duty under the Wilson bill was an ad valorem duty of 25 per cent. Under the Dingley bill there is a specific duty of 15 cents a pound added to the price over in Europe, and then an ad valorem duty of 25 per cent is added also. Under the Dingley bill the duty on dry plates imported into this country is 25 per cent, whereas under the McKinley bill it was 40 per cent. You gentlemen can therefore appreciate the position in which we are placed. The duty on the raw material, on both glass and gelatin, has been increased and the duty on the finished product has been decreased, and this notwithstanding the fact that neither the glass nor the gelatin which we use may or can be made in this country. We have tried repeatedly to get both the glass and the gelatin in this country. We have applied to the manufacturers who make glass and who make gelatin, and in both instances we were told that they did not care to make the material which we used. Our glass is put up in 100-foot boxes, whereas the American glass is put up in 50-foot boxes. The foreign gelatin which we use comes in packages of 1 pound, in sheets, whereas the gelatin made in this country is shredded, so that there is absolutely no danger of any fraud being practiced, and we would suggest that the regulation which was adopted by the Canadian government in 1907 at our request be incorporated in the new tariff, which reads as follows:

SEC. 317. Glass cut to size adapted for use in the manufacture of dry plates for photographic purposes, when imported by the manufacturers of such dry plates for use exclusively in the manufacture thereof in their own factories, free.

You see by adopting that classification there is absolutely no chance of the glass being used for any other purpose.

The CHAIRMAN. Your time has expired.

Mr. CRAMER. I have finished.

Mr. GRIGGS. Will that suit you—putting glass on the free list?

Mr. CRAMER. Yes, sir; glass and gelatin. If you will do that, we are satisfied to have the duty on the finished product remain as it is, although it comes in in large quantities, the plates coming into this country and competing with us, by reason of the fact that the labor

is cheaper over there than it is here, and by reason of the fact that they have no duty to pay on either glass or gelatin, which we must pay.

THE EASTMAN KODAK CO., ROCHESTER, N. Y., URGES RETENTION OF PRESENT DUTY ON PHOTOGRAPH SUPPLIES.

ROCHESTER, N. Y., *November 30, 1908.*

The Eastman Kodak Company, of Rochester, N. Y., respectfully urges that the import duty on photographic papers and photographic films and cameras should not be reduced, for the following reasons:

1. The duty on the finished product should be retained, because the company pays duty on enormous quantities of the raw material which it uses and which it is obliged to import from foreign countries, which duty is as great, and in some cases greater, than the import duty upon the finished product.

This company manufactures sensitized photographic papers, photographic films, photographic dry plates, photographic cameras (Kodaks), and various other photographic supplies.

In manufacturing it uses, among other things, photographic gelatin, raw photographic paper, raw baryta-coated paper, and glass for photographic plates, in large quantities.

It is obliged to import all of the above materials from foreign countries, either for the reason that the same is not manufactured in this country or because there is none manufactured in this country which is suitable for its use.

Upon these imports it pays under the present tariff the following rates:

Photographic gelatin 15 cents per pound and 20 per cent ad valorem (par. 23).

Raw photographic paper for sensitizing or baryta coating, 3 cents per pound and 10 per cent ad valorem (par. 398).

Baryta-coated paper for sensitizing, 30 per cent ad valorem (par. 398).

Glass for photographic plates, from 1 $\frac{3}{8}$ cents to 2 $\frac{3}{8}$ cents per pound, depending upon size of sheets (par. 101).

The duty on photographic film and photographic plates is 25 per cent ad valorem (par. 458).

The duty on sensitized photographic paper is 30 per cent ad valorem (par. 398).

The duty on cameras is 45 per cent ad valorem (par. 111).

It is plain, therefore, that as the company is obliged to purchase the raw materials above mentioned from foreign countries and pay a duty thereon of 30 per cent or more, the duty on the finished product, viz, films, sensitized photographic paper and photographic plates, should not be reduced.

2. The duty on photographic films and photographic sensitized paper should not be reduced, because such reduction would directly tend to drive the business away from the United States to England, Germany, and France, in which countries competing films, sensitized papers and photographic plates are now manufactured.

It is estimated that over 6,000 wage-earners are employed in the United States in the manufacture of photographic goods.

The average wages paid to employees in the factory of this company at Rochester, N. Y., where the films, papers, and plates above referred to, are manufactured, are as follows:

	Per week.
Girls and women.....	\$8. 00 to \$11. 00
Boys.....	8. 00 to 10. 00
Men (average).....	14. 00

The wages paid for similar services in a corresponding photographic factory, located at Harrow, England, a few miles from London, are as follows:

	Per week.
Girls and women.....	\$3. 00 to \$4. 00
Boys.....	2. 50 to 3. 00
Men.....	6. 00 to 7. 00

The above figures show that this company is paying in a similar factory in the United States more than three times as much to the boys, and more than two and one-half times as much to the girls, and more than twice as much to the men, as is paid in the English factory.

(The reason that in England the girls are paid more than the boys is that boys are employed at a younger age than girls.)

Even at the present rate of duty on the finished product, English and French films are imported into and sold in this country in competition with American film.

The main reason why they are able to do this is that they pay so much less for labor.

Should the present duty be decreased, foreign manufacturers could place their film on the market in this country at a less cost than that at which our goods can be manufactured, by reason of the smaller wages paid by foreign manufacturers in the manufacture of the film and the advantage which they have in not being compelled to pay duty on raw materials. The result would necessarily be a large reduction in the total amount of goods manufactured in this country and the discharge from our factories of a corresponding number of employees.

We could not retain such employees, not only because we would not have work for them to do but because they would not stay at the necessarily reduced wages.

Notwithstanding the fact that wages paid in our factory have increased, the price of films is less than it was when first introduced, about January 1, 1890, the prices of sensitized plates and paper have steadily decreased, and the price of cameras has shown a still larger decrease, although the prices we are obliged to pay for the raw materials have increased very greatly.

Until Congress has the right to fix the rate of wages which are to be paid it should not decrease the present duty on films and sensitized papers, and thus deliberately drive a large volume of trade from this country to foreign countries.

3. Film photography was first made practicable for general use in this country.

Amateur photography was practically unknown until, by the inventive genius and business ability of American inventors and manufacturers, the taking, developing, and printing of pictures became so simple and so cheap that children could take accurate and beautiful pictures and people of moderate means could afford to use the camera.

The products of this inventive genius and business ability have been of incalculable value to science, to newspapers and periodicals, and to very many other different kinds of business, and have been a means of education and a source of enjoyment to millions of people in this country, and thousands of men and women have been given employment at good wages.

Foreign manufacturers have followed in the wake of American inventors and manufacturers and have attempted to profit by the processes and inventions which were discovered and first introduced here.

Every film camera and every photographic film made in foreign countries is an imitation of, or an attempted imitation of, cameras and films made in this country.

It would be unfair for Congress to reduce the duty on the finished product, and thus deliberately offer aid and inducement to foreign manufacturers to land their goods on our shores and to compete on an equal footing with American manufacturers, after such foreign manufacturers have succeeded in making a competing article by imitating as far as possible our processes and pirating our inventions and discoveries.

In conclusion, we also call attention to the fact that it is estimated that upward of 60 per cent of goods of our manufacture is used by amateurs, and that such goods are luxuries as distinguished from necessities. Under the well-recognized policy of this Government luxuries are made subject to an import duty when revenue is to be raised and American industries are to be protected against foreign cheap-labor competition.

For the above reasons we respectfully submit that if any change is made in the duty on imported photographic films, sensitized photographic papers, sensitized photographic plates, and cameras, the rate should be increased rather than diminished, and that it certainly should not be decreased.

EASTMAN KODAK COMPANY,
By GEORGE EASTMAN,
Treasurer and General Manager.

UNDERWOOD & UNDERWOOD, NEW YORK CITY, WISH PHOTOGRAPHIC FILMS AND PLATES PLACED ON FREE LIST.

NEW YORK, N. Y., *December 9, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

SIRS: We beg to suggest that this class of imports merit free entry, and in support thereof to state:

The facts given apply especially to manufacturers of stereoscopic photographs, but we believe also apply equally to all American manufacturers who photograph abroad.

The United States is at present many times the largest producer of high-grade stereoscopic photographs, and exports a liberal percentage of its product. Although there is at the present time indications of keen competition developing in Germany, France, and

Japan, America has heretofore been many times the largest producer of high-grade stereoscopic photographs.

Photographs of foreign sites and subjects are essential to this export trade, and are of large importance in domestic trade, both for educational institutions and private use.

Photographs, stereoscopic and otherwise, have come into large use in educational institutions.

For quality of high grade, a photograph must be from an original negative. A negative of Rome must be made in Rome and not copied from another picture, or the photograph therefrom will be inferior.

As modern stereoscopic photography has largely been developed by Americans and its special needs in subject and composition understood by them, the custom is almost universally followed by these manufacturers of sending their own operators, selected and trained by themselves, and then returning the exposed plates or negatives directly and exclusively for use in their own factories in this country.

Photographic negatives are not articles of merchandise in the usual sense of the word. But few of those made for commercial uses ever change hands.

They are simply tools; the manufacturer who uses them must, in almost every case, make them himself; those of foreign subjects must be made abroad. On entering this country they go at once into the manufactory, where they stay.

Imposing a duty on such exposed plates or negatives is a discrimination against the American manufacturer of photographs of foreign subjects. Their importation increases a home industry and works no disadvantage or injury to anyone; obviously original foreign negatives can not be made in America.

The law of 1897 includes in the free list different products and materials intended expressly for use in American manufactory, as bolting silks, paragraph 498; glass plates, paragraph 565; lithograph stones, paragraph 601, and many articles more strictly raw material; also the work of American artists, paragraph 703. The characteristic of these imports accord so closely with those of the exposed photographic plates or films and negatives we feel the general spirit of the present law would at once admit these latter to the free list.

There is no specific provision in the law of 1897 for either exposed photographic plates or films or negatives. From all information we conclude this class of imports was then practically unknown to the customs service.

This has resulted, in spite of the painstaking endeavors of the customs authorities, in inconsistencies very unsatisfactory to the importers, and, we are persuaded, as little satisfactory to the authorities. For example: Under T. D. 24012, October 14, 1902, exposed photographic films—that is, an emulsion on celluloid—has been admitted free. Exposed photographic plates—that is, a similar emulsion on glass—have paid duty. Although photographic dry plates and photographs were dutiable at 25 per cent ad valorem, yet exposed photographic dry plates were until early in 1907 and photographic negatives still are classified as “manufactures of glass,” dutiable at 45 per cent. We are not informed as to the practice in the case of developed photographic films, but the same method of classification would make them dutiable as celluloid at a rate wholly different from the rate on the negative on glass. In fact the glass and the

celluloid, as substances, bear no relation at all to the operative properties of the negative, the requirement being merely a cheap transparent substance of any material whatsoever which will support the emulsion.

We will appreciate opportunity to furnish any information desired or substantiate any statements made.

For these reasons we earnestly urge consideration by the committee of the free entry of exposed photographic dry plates and films and negatives.

Respectfully submitted.

UNDERWOOD & UNDERWOOD,
By B. UNDERWOOD, *President*.

(A letter similar in purport to the above was filed by the H. C. White Company, North Bennington, N. Y.)

SMOKERS' ARTICLES.

[Paragraph 459.]

WM. DEMUTH & CO., NEW YORK CITY, CLAIM THAT PRESENT DUTIES ON PIPES AND SMOKERS' ARTICLES ARE FAIR.

NEW YORK, *November 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Being manufacturers and importers of pipes and smokers' articles, we take the liberty of addressing you in reference to tariff revision on these articles.

Established in 1863, we imported all our goods, and when a higher protective tariff of 75 per cent ad valorem and \$1.50 per gross specific duty came into existence we were encouraged to commence manufacturing here.

When a revision of the tariff took place we used our efforts to have the Committee on Ways and Means reduce the rates on smokers' articles to 75 per cent ad valorem, to take off the specific duty, and to place raw materials, such as French brier-wood blocks, on the free list, as we had been considerably hampered owing to duty on this material. This French brier wood is the only wood in existence which is practical for a useful pipe, and nothing has been found in this country which could be applied as a substitute.

The very last revision of the tariff reduced the rate to 60 per cent. Foreign manufacturers were then very much encouraged and made special efforts, and so did the importers here who had no interest in the American factories, and the result was larger importations, whereby the American industry here had to suffer. This, luckily, was overcome later on, as the price of labor in Europe increased with larger importations.

We have an experience of about forty-five years, have the largest plant in this country or Europe, with the best equipment; have, of course, never been able to do any exporting to Europe, but we are still importing such goods on which the cost of labor is the predominant part of the total value. The enormous difference between the

cost of skilled labor in America and that of Europe (the purchasing power of 40 cents there being equal to that of \$1 here) is the item we have to contend with.

The importations in smokers' articles, at invoice price, including duty (which means our cost price) as per custom-house records, for the fiscal year of 1907, amounted to a little over \$1,600,000.

This country produced in pipes and smokers' articles, figuring the manufacturer's cost, during the same period the sum of about \$3,500,000.

The importations of the year 1906 were \$1,250,000, including duty, while the production in this country during the same time was fully 20 per cent less than in 1907.

These figures are a conclusive proof of the fairness of the present tariff. While protecting the American manufacturer, it still permits the importation of smokers' articles equal to 45 per cent of the goods manufactured in this country. Therefore any reduction of the tariff would seriously harm the American industry. As much as we have been opposed in the past to an excessive duty, which invariably leads to an unhealthy condition, we to-day are strongly in favor of maintaining the present rate, which has proven to be a just one to us, being importers as well as manufacturers, and to the Government.

Permit us to suggest, as our senior advised many, many years ago, the enactment of a law to compel the European merchant to file an oath in the manner prescribed by his respective country as to the correctness of his invoice, and that our consul should not pass same without certificate of such oath. We know for a fact that some European merchants do not realize the sanctity of an oath when made in the American way, without any formalities, whereas an oath executed in the manner they are accustomed to, and lawful in their respective countries, is less liable to be misused, because this is the only oath which they consider binding. If this procedure were followed it would have a tendency to correct the evil of undervaluation, which would be an additional protection to the American industry.

Yours, respectfully,

WM. DEMUTH & Co.

**BRIEF SUBMITTED BY EDWARD REAGAN, OF SYRACUSE, N. Y.,
RELATIVE TO CLAY TOBACCO PIPES AND BOWLS.**

207 to 213 CAYUGA STREET, SYRACUSE, N. Y.;

November 24, 1908.

Mr. WILLIAM K. PAYNE,

Clerk, Committee on Ways and Means,

House of Representatives, Washington, D. C.

DEAR SIR: I understand that on November 28 next the Ways and Means Committee of the House of Representatives will consider the question of import duties on goods manufactured under Schedule N, which embraces the manufacture of clay tobacco pipes.

I therefore desire to present to you a few facts in this connection in behalf of this industry in the United States, and I would thank you to present the same to the committee on the date mentioned.

I have been a manufacturer of clay tobacco pipes in this city for upward of thirty years, and am thoroughly familiar with all modes

of manufacture. At the present time there are about 15 factories in this country making clay pipes, which are located in various cities and towns between New York and St. Louis. The labor employed by these factories is largely skilled labor, and at least 95 per cent of the cost of manufacturing clay pipes, exclusive of packing boxes, is hand labor.

The competition that we meet with in the sale of foreign pipes, as made in Germany by boys, girls, and women, which are produced so cheap that the specific duty of 15 cents per gross, which is the present tariff on clay pipes, is not sufficient to reasonably protect the industry in this country and to offer a fair remuneration to labor.

The machine-made pipes which are sold in this country and made in Scotland are entirely unsatisfactory for home consumption in that country owing to the demand for hand-made pipes, which have many decided advantages over machine-made pipes and are much more expensive to produce. Therefore, a quantity of machine-made pipes are sent to this country, and under the present duty are profitable for importers to handle, as they can be produced for considerable less money than any hand-made pipe made either at home or abroad, except produced by child labor, and because of this extra profit many extensive jobbing houses in this country refuse to buy the American-made pipes because they are not as profitable for them to handle, and I feel that the present duty is insufficient to warrant the slightest improvement in the present conditions relative to the manufacture of American clay pipes, and that it should be advanced to at least 25 cents per gross, specific duty.

From my long experience, association, and intimate acquaintance with all the principal manufacturers of clay pipes in this country, I feel very certain that a tariff of 25 cents per gross on clay pipes will only reasonably equalize the difference between the cost of manufacture at home and abroad, and I would ask that you give this appeal the proper consideration when rearranging the schedule in which this industry appears.

I have the honor to remain, yours, very truly,

EDWARD REAGAN.

**CHAS. KURTH COMPANY, NEW YORK CITY, ASKS RETENTION OF
THE PRESENT DUTY ON CLAY TOBACCO PIPES.**

NEW YORK, *November 24, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We herewith enter our protest against any contemplated reductions in the rates on the articles which we manufacture, namely, clay pipes for smoking tobacco, and we advance the following arguments to support our protest:

The present rate of 15 cents per gross on clay pipes costing 40 cents or less per gross does not allow us to compete with the same articles of British, Dutch, and German manufacture, as the importers can undersell us to the extent of 10 cents per gross, which is a large difference on an article selling at 55 to 60 cents per gross wholesale. We are therefore compelled to import such quantities of cheap pipes which we need for the wants of our trade in order to make good our

claim that we carry in stock all kinds of clay pipes. If, therefore, we had protection to the extent of an extra 10 cents per gross, or an import rate of 25 cents per gross, we could make these cheap goods right here, employ American labor to make them, and pay American wages for the making without increasing the cost of the articles to the smoker, as these pipes would not retail for more than 1 cent apiece, anyway.

The present tariff rate on the better grades of pipes, 50 cents per gross and 25 per cent ad valorem, just allows us to compete with goods of British manufacture only for the reason that we produce with American union labor an article which, although more costly to the retailer, is better in quality and appearance than the imported, and also more durable.

In summing up we ask that the present rate of tariff on the better grades of clay pipes be maintained, and also ask you to consider an increase of 10 cents per gross in the rate of tariff on the cheap grades, and further offer for your consideration the following facts:

We employ about 50 hands in our factory.

We pay the highest rate of wages to our employees on piecework.

Our representative, Mr. Charles Kurth, will be in Washington on Friday and Saturday next to present our case to you in person, and will then be ready to give you any further detailed information which you ask for, providing you grant him the interview which we herewith request.

Respectfully submitted.

CHAS. KURTH Co.

JOHN S. V. HUNTER, PHILADELPHIA, PA., THINKS THAT THE DUTY ON CLAY TOBACCO PIPES SHOULD BE INCREASED.

1032 ARIZONA STREET, PHILADELPHIA, PA.,
November 27, 1908.

Hon. S. E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: The present tariff on common clay pipes wholly of clay is 15 cents per gross, but it would require to give us adequate protection against foreign labor, as labor is about 65 per cent of the expenses of manufacture of common clay pipes wholly of clay.

Owing to the small profit we are unable to offer sufficient inducement to young men to learn the trade. Therefore we are unable to build up our business on a large scale, which would mean a more economic process of production in Philadelphia.

The present market price of common clay pipes which retail at 1 cent each is 50 cents per gross. This is as high as we can command on account of the imported pipes coming in competition. The dealer on an outlay of 50 cents gets a return of 144 cents, or 94 cents profit. Therefore, I don't think it unreasonable to ask that the tariff on common clay pipes wholly of clay be raised from 15 cents per gross to 25 cents per gross, as it is absolutely essential to the well-being of our trade of the future, and the price to the consumer would still be the same. Trusting this will receive your consideration, I remain

Respectfully, yours,

JOHN S. V. HUNTER.

STATEMENT OF CHARLES KURTH, OF BROOKLYN, N. Y., WHO WISHES INCREASE OF TEN PER CENT IN THE DUTY ON CLAY TOBACCO PIPES AND PIPE BOWLS.

SATURDAY, *November 28, 1908.*

The CHAIRMAN. We will hear you for five minutes, if you desire.

Mr. KURTH. Mr. Chairman and gentlemen of the committee, I have a very small brief, which I will read.

Mr. Chairman and gentlemen, seeing that the Ways and Means Committee is here for the purpose of revising the tariff, I come here to plead for an advance on a certain class of goods, namely, clay tobacco pipes and pipe bowls, valued at 40 cents and under per gross, which is not enough to protect our industry; especially on that class of goods we should at least have 25 cents specific per gross.

By granting my request you will not only protect American-made goods, but will do so at no extra cost to the consumer, the cost now being within the lowest medium of our currency, namely, 1 cent each for those most general in use. A reduction of those, therefore, will be out of the question.

By increasing the import duty, and thus in some degree discouraging the importation of foreign-made pipes, this line of manufacture would be greatly stimulated in this country and there would necessarily spring up factories for their production in regions in which they could not now exist and which are at present reached only by foreign goods. This is true of the entire South, the nearest home factory in that portion being situated in the city of Baltimore, and if we produced 75 per cent of what is consumed in the United States we would be satisfied for the present and therefore could give steady employment to all of the unemployed clay tobacco-pipe makers in the United States. Perhaps you would like to know the average wages paid in foreign countries and the United States. Germany, per gross, 13 cents; United States, 36 cents; difference per gross, 23 cents. Canada, 13 cents; United States, 36 cents; difference, 23 cents per gross. Scotland, 17½ cents per gross; United States, 36 cents; difference, 18½ cents per gross. Holland, 11 cents; United States, 36 cents; difference, 25 cents per gross.

By these figures, gentlemen, you can see that it is impossible to compete with foreign labor on this class of goods.

Also on the full line of better-class clay tobacco pipes the tariff is now 50 cents per gross and 25 per cent of ad valorem. I do suggest at least 10 per cent ad valorem added to what the tariff is at present.

W. C. BANNERMAN AND WORKMEN, NEW YORK, ASK AN INCREASE OF TEN CENTS PER GROSS ON CLAY TOBACCO PIPES.

NEW YORK CITY, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I, as a manufacturer of clay pipes and employer of men in that business, knowing the keen competition from other countries abroad and the small wages our workmen make through the cheap goods—i. e., pipes imported from Germany and Scotland under

the present low tariff, namely, 15 cents per gross on common clay pipes, while we are paying our men 80 to 90 per cent more for making the same class of goods here; then, their wages are only \$8 to \$9 a week—I, with my employees, respectfully request that in the revision of the present tariff on common clay pipes you will so use your influence as to have the tariff raised to 25 cents per gross, specific duty. The advance we request of 10 cents more on the gross will not affect the price of the pipe to the smoker, as it is simply an increase of 10 cents on 144 pipes, but will enable us to pay better wages to our workmen; it will also enable us to employ a number of men who have gone out of the trade because of low wages and the high cost of living. All material used by us in the manufacture of clay smoking pipes is the product of this country.

For the above reasons we respectfully request that you will aid us in this matter.

Respectfully submitted, by W. C. Bannerman and employees.

W. C. BANNERMAN,
Tobacco Clay Pipe Manufacturer.

**CLAY TOBACCO PIPE MAKERS ASK AN INCREASE OF TEN CENTS
PER GROSS ON COMMON TOBACCO PIPES.**

BROOKLYN, N. Y., *December 5, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish to present to the Committee on Ways and Means a few facts of interest to us and relative to our industry in the United States. We have been employed as clay tobacco pipe makers for the last fifteen years and more, and are thoroughly familiar with all the modes of manufacture.

The imported article with which we compete is produced in Europe and Canada by machines, boys, girls, and women, who work for so little that the present rate of duty on imports is insufficient to reasonably protect our industry and offer a fair remuneration to clay tobacco pipe makers in the United States.

The machine-made pipes which are sold in this country are made in Scotland and are an inferior article and are entirely unsatisfactory to the home market, owing to the demand for hand-made pipes, which have many decided advantages and are much more expensive to produce than machine-made pipes. Therefore the foreign manufacturers are using this country as a dumping ground for their cheap and inferior article.

At the Dingley tariff bill hearing we asked for a specific duty of 25 cents on all common tobacco pipes and pipe bowls made wholly of clay, but were not recognized, owing to a misunderstanding on the part of a manufacturer who represented our industry at that time.

Since the Dingley tariff went into effect our industry has gradually been increasing on the better class of goods. The European manufacturers, however, still hold the market in this country on the inferior class of goods, owing to the large quantity of machine-made pipes which are sent to this country, and which are, under the present rate

of duty, more profitable to the dealer to handle, as they can be produced for considerably less money than any hand-made pipes made either at home or abroad, and because of the extra profit many pipe dealers in this country refuse to buy the American-made article.

We are positive from our long experience that the present rate of duty is not sufficient to better present conditions in our industry.

In advancing the rate of duty on common clay pipes 10 cents per gross the cost to the consumer will not be any greater than at present, as this small advance will not make the retail price any higher than 1 cent, the present price. In our opinion all common tobacco pipes and pipe bowls made wholly of clay, valued at not more than 40 cents per gross, should pay a duty of 25 cents per gross specific instead of 15 cents specific, and the full line of better goods which are at present dutiable at the rate of 50 cents per gross specific and 25 per cent ad valorem should be 50 cents per gross specific and 35 per cent ad valorem, which, if granted, would give the Clay Tobacco Pipe Makers' Union of America a fair remuneration for their labor.

Before the McKinley tariff went into effect our industry was protected by a duty of 35 per cent ad valorem.

The McKinley tariff made the duty 15 cents per gross specific.

The Wilson tariff reduced the duty to 10 per cent ad valorem, which forced hundreds of our workmen out of the industry.

The Dingley tariff put the duty back to the same rate of the McKinley tariff, namely, 15 cents per gross specific.

With all these changes not one manufacturer came to this country to start pipe making, although many small manufacturers came with that intention, but after becoming acquainted with conditions dropped the idea and went into other lines of business, which, gentlemen, is the best argument that our industry has never been sufficiently protected.

Respectfully,

JOHN W. THOMAS,
Secretary, Clay Tobacco Pipe Makers' Association.

J. W. & J. T. SMITH, UNION HILL, N. J., URGE AN INCREASE IN THE DUTY ON CLAY TOBACCO PIPES.

UNION HILL, N. J., *December 7, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I am one of the clay-pipe manufacturers that would like to see the tariff advanced on clay pipes. We are compelled to compete against machine-made goods made in Scotland and also Germany. The cost to the consumer would be the same, and it would encourage the output to double what it is to-day in this country. It will encourage young men to learn this branch of business if we are protected. We would like to have an advance of 10 or 15 cents per gross.

Hoping this will meet with your approval, and that we may reach a satisfactory result, I am,

Yours, very respectfully,

J. W. SMITH,
Of J. W. & J. T. SMITH.

AGRICULTURAL MACHINERY.

[Paragraph 460.]

BRIEF SUBMITTED BY HUGH REID GRIFFIN, EUROPEAN MANAGER OF THE JOHNSTON HARVESTER CO., BATAVIA, N. Y.

WASHINGTON, D. C., *November 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At present in France all American and Canadian makers of agricultural machinery pay a duty of 15 francs per 100 kilos.

England, Germany, and Sweden all sell their machinery in France, but pay two-fifths less duty because they enjoy the minimum tariff rate of 9 francs per 100 kilos. Except on hay rakes and tedders, the advantages enjoyed by these countries have not diminished our trade, but England and Germany are doing more than they did because French importers, fearing that Canada may benefit by the treaty now under consideration to grant her the minimum tariff rates, are looking for other machines in such an event, for those made in the United States of America will be seriously affected by the difference in duty shown in a table which follows. The French trader has spurred the English and German manufacturer to greater effort to aid him.

There is a French competition which covers in mowers, binders, and reapers about one-seventh of the sales in France and is growing, but we can find no fault with the growth of a national industry. But if we wait before we secure the advantage of the minimum tariff, French interests will more strongly oppose. Then comes Canada, with a treaty drafted and accepted in part.

Canada is already able to fight side by side with our American industry in agricultural machinery, even with certain disadvantages in lack of steamship lines direct to France. Under the new treaty, if granted and agreed to, direct lines will run at least to Havre. The advantage offered by the difference in the minimum tariff has not escaped the public notice of the International Harvester Company of America, who, in their official report of December 31, 1907, state:

The Canadian trade is supplied chiefly from the Hamilton Works, and, in view of its large and valuable trade with France, the company is fortunate in having a plant in Canada from which it can also supply the demands of its French customers; otherwise, owing to the recent commercial treaty between Canada and France, which practically precludes the company from selling American-made machines in the latter country, we could not hope to compete for the French business with Canadian and other foreign manufacturers.

The International Harvester Company alone possesses a factory in Canada at present equipped for the manufacture of harvesting machines, but other makers may be forced to follow, greatly to the detriment of United States labor, transport, and raw material interest, not to mention the diversion of United States capital.

Our industry needs little or no protection. We use steel and iron almost entirely in the building of our machines, and the quantity used is important to iron and steel enterprises already highly protected. We have greater outlay and expense for wood for poles and cases for packing machines each year. We would benefit by reduc-

tions in the duties on raw materials, steel, and wood, but should these industries require the protection they now enjoy and it remain unchanged to our disadvantage, as stated, then these industries, iron and steel, would have to suffer with us if, on account of advantages enjoyed by Canada, our exports dropped off largely, for 50,000 or 60,000 mowers, reapers, and binders call for tons and tons of iron and steel.

To get we must give, for France is alive to her interests. Our industries require the open door, or the door ajar, at least, and we can not afford to see the gates locked in our face without the strongest effort to protect and retain what American inventive genius created, American industry established, and the eternal watchfulness of American citizens abroad who have opened the remotest countries for our production have fought for and are striving to conserve.

I have frequently since election day put this question of tariff before laymen and professional business men, and their powers of belief have been taxed when I have named the total of this branch of trade in France, and, while vaguely admitting that it seems as though this industry should be vigorously cared for, they conclude by saying: "But why is it that French farmers can buy mowers, reapers, and binders for less than the American farmer?" The facts controvert such statement, but the impression exists generally and accounts for the public indifference, and shows the necessity of a committee who can deal with data.

In France in 1908 the farmer paid for American and Canadian machines: For mowers, \$60 (the American farmer paid \$45); for binders, \$170 (the American farmer paid \$125), in sizes such as are sold in France.

The duty and charges in France on a binder are \$32, on a mower, \$13, and in mowers there is a very keen French competition and there are special expenses necessarily incurred, but beyond the actual duty the French farmer pays a considerable advance in price.

Duty now paid at 15 francs per 100 kilos.—The minimum tariff two-fifths less would show: On 2-horse mower, 50 francs, 20 francs reduction, or \$4; 1-horse mower, 38 francs, 15.20 francs reduction, or \$3; reaper, 60 francs, 24 francs reduction, or \$5; binder, 120 francs, 48 francs reduction, or \$9.50; hay rake, 29 francs, 11.60 francs reduction, or \$2.25; tedder, 43 francs, 17.20 francs reduction, or \$3.50.

Weight of machines vary and also rate of exchange, but the reduction under the minimum tariff as shown is not affected by these slight differences to any extent.

At present English, German, and Swedish makers benefit to the extent shown in the above table on account of the minimum tariff which they enjoy. Canada, if she obtains the concessions covered by the treaty under consideration, will enjoy the same benefit. Canada now has one-seventh of the French mower, reaper, and binder trade and is equipped to contest it on the present lines of equality. With a preference such as shown she can seriously injure this valuable branch of American industry. The table above shows a reduction on the full line under minimum tariff rates, and this reduction represents a profit which any American maker would be satisfied with on the French trade.

HUGH REID GRIFFIN, *Paris France,*
European Manager the Johnston
Harvester Co., Batavia, N. Y.

**GAAR, SCOTT & CO., RICHMOND, IND., WELCOME REDUCTION IN
DUTY ON THRASHING MACHINERY AND MATERIALS.**

RICHMOND, IND., *December 16, 1908.*

Hon. S. E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: Replying to your favor of the 14th, it is impossible for us to give you a detailed statement showing labor cost entering into each item of our product. We can say, however, that we find from investigation that the wages paid by thrashing-machine manufacturers in England and Germany are from 25 to 50 per cent lower than are paid in this country; but this difference is greatly reduced, if not entirely wiped out, by superior methods of production, improved shop equipment, shop practice, etc.

It is also true that, as a general thing, foreign agricultural implements and machinery are inferior to those produced in this country, and in many lines this exists to such an extent that the American farmer would not have the foreign product, regardless of price.

The difference in wages of this country and Canada in our line is not very great, and we have no objection whatever to the tariff on thrashing machinery from that country being reduced to the same amount that the Canadian government puts on our machinery, or even to a lower point. In fact, we think the duty should be reduced at least one-half, regardless of what the Canadian government may do, and taken off entirely if they will do the same.

We again beg to say that we will welcome any reduction in the tariff on thrashing machinery that is made on the materials entering into the construction thereof.

Yours, truly,

GAAR, SCOTT & Co.,
Manufacturers of Thrashing Machinery.
By S. S. STRATTAN, Jr.,
Secretary.

**STATEMENT OF EDWIN D. METCALF, OF AUBURN, N. Y., RELATIVE
TO AGRICULTURAL IMPLEMENTS AND MACHINERY.**

SATURDAY, December 19, 1908.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. You may proceed, Mr. Metcalf.

Mr. METCALF. Mr. Chairman and gentlemen of the committee, I prepared a short brief and afterwards I will be glad to answer any questions that you may desire to ask.

Agreeable to your request, I herewith submit my views.

Paragraph 460, section 1 of the tariff law of 1897, is as follows:

Plows, tooth and disk harrows, harvesters, reapers, agricultural drills and planters, mowers, horserakes, cultivators, thrashing machines, and cotton gins, twenty per centum ad valorem.

I would respectfully petition that all the articles covered by this paragraph be included in the free list with the following proviso, which is necessary to protect the small manufacturer:

Provided, That articles mentioned in this paragraph, if imported from a country which lays an import duty on like articles imported from the United States, shall be subject to a duty of twenty per centum ad valorem.

That is necessary, particularly in the case of Canadian importations.

This proviso, we believe, will lead to the giving to manufacturers of this country equal advantage with others in foreign countries, as has been our experience with the same clause in paragraph 491, section 2.

The present tariff has not been absolutely prohibitive, as is shown by the following receipts and duty collected upon items covered by paragraph 460:

Fiscal year ended June 30—	Rate of duty.	Value.	Duty collected.	Ad valorem rate of duty.
	<i>Per cent.</i>			<i>Per cent.</i>
1898	20	\$3,702.40	\$740.48	20
1899	20	10,074.00	2,014.80	20
1900	20	5,407.95	1,081.61	20
1901	20	34,780.39	7,676.10	20
1902	20	44,900.05	8,980.03	20
1903	20	21,640.35	4,328.07	20
1904	20	17,068.55	3,413.71	20
1905	20	13,876.24	2,775.24	20
1906	20	24,785.68	4,957.13	20
1907	20	23,643.70	4,728.74	20

Practically everything that goes into the manufacture of agricultural machinery is protected by a protective tariff—steel, iron, lumber, paint, and varnish—and wages are from 40 to 125 per cent more in this country than in many European countries where agricultural machinery is made for the local market, but in spite of these handicaps the manufacturers of this country have fairly prospered and continued to improve the character and efficiency of their tools and enlarge their factories until now the production far exceeds the requirements of this country, and for several years they have been compelled to seek a market in foreign countries to run their factories anywhere near up to their capacity, and we respectfully submit that any change in the present tariff on agricultural farm machinery should be shaped so as to enable us to market our surplus product in foreign countries on an equal basis with that of our principal manufacturing competitors in England and her colonies.

Duties.—The duty in foreign countries on the leading articles of export in this class are as follows:

Austria-Hungary.—Rate, 24 crowns per 100 kilos net weight, \$4.80 per 220 pounds. Duty per grain binder, \$33.60; reaper, \$20.40; mower, \$15.36; hayrake, \$7.60. Twine, 12 crowns per 100 kilos or \$2.40 per 220 pounds or \$1.09 per 100 pounds. Imports from United States are entered under minimum rates.

Belgium.—Rate, 4 francs per 100 kilos net weight, \$0.77 per 220 pounds. Duty per grain binder, \$6.22; reaper, \$1.65; mower, \$1.25; hayrake, \$1.39. No minimum rates.

Bulgaria.—Machines free; twine free.

Denmark.—Rate 2½ ore per Danish pound; \$0.00658 per 1.102 English pounds. Duty per grain binder, \$8.42; reaper, \$5.39; mower, \$3.95; hayrake, \$2.23. Twine, 2½ ore per Danish pound or \$0.508 per 100 pounds. No minimum rates.

France.—Rate, 15 francs per 100 kilos; \$2.895 per 220 pounds. Duty per grain binder, \$23.31; reaper, \$12.36; mower, \$9.35; hayrake, \$5.20. Goods from United States are entered under maximum rates. The minimum duties per machine are: Grain binder, \$13.99; reaper, \$7.42; mower, \$5.61; hayrake, \$3.12. Twine, 12.50 francs per 100 kilos, \$2.41 per 220 pounds, \$1.097 per 100 pounds. Minimum rates: Ten francs per 100 kilos, \$1.93 per 220 pounds, \$0.877 per 100 pounds.

Finland.—Rate, 10.60 marks per 100 kilos net weight, \$2.046 per 220 pounds. Duty per two-horse mower, \$6.55; hayrake, \$3.81. Twine, 7.10 marks per 100 kilos, \$1.44 per 100 kilos, \$0.655 per 100 pounds. No minimum rates.

Germany.—Rate, binders and reapers 4 marks per 100 kilos gross weight; mowers, \$0.952 per 220 pounds; hayrakes, 8 marks per 100 kilos net weight, \$1.904 per 220 pounds. Duty per grain binder, 10.47 marks; reaper, 5.48 marks; mower, 4.52 marks; hayrake, 4.30 marks. Twine, 8 marks per 100 kilos, \$1.904 per 100 kilos, \$0.866 per 100 pounds. These goods from the United States are entered under same rate as similar goods from other countries.

Great Britain.—Machines free; twine free.

Holland.—Machines free; twine free.

Italy.—Rate, binders and reapers, 9 lire per 100 kilos gross weight; \$1.737 per 220 pounds. Rakes and mowers, 4 lire per 100 kilos gross weight; \$0.772 per 220 pounds. Duty per binder, \$18.59; reaper, \$10.20; mower, \$3.46; rake, \$4.22; twine, 11.50 lire per 100 kilos, \$2.20 per 100 kilos, \$1 per 100 pounds. There is a reduced rate on mowers which applies to mowers from United States.

Norway.—Rate, 10 per cent on invoice value plus ocean freight, insurance, and landing charges; but can be declared free if no similar goods are made in Norway. Hayrakes only are charged duty. Duty per hayrake, about \$2; twine, 5 ore per kilo, \$0.614 per 100 pounds. There are no minimum rates.

Russia.—Rate, binders, reapers, hayrakes, free; mowers, 75 copecks per pood, net weight, or \$0.387 per 36 pounds. Duty per mower, \$7.03; twine, 1,080 pounds free with a binder; other R., \$1.05 per pood, \$1.53 per 100 pounds. United States goods are entered under minimum rates.

Roumania.—Rate, 2.50 francs per 100 kilos net, \$0.482 per 220 pounds. Duty per binder, \$3.65; reaper, \$2.06; mower, \$1.44; hayrake, 90 cents. Twine, 6.50 francs per 100 kilos, \$1.255 per 100 kilos, 57 cents per 100 pounds. Goods from the United States are entered under the minimum rate.

Sweden.—Rate, 10 per cent on invoice value plus ocean freight, marine insurance, and landing charges. Duty per binder, \$10.30; reaper, \$5.10; mower, \$3.04; hayrakes, \$1.60. Twine, 10 ore per kilo, \$1.228 per 100 pounds. There are no minimum rates.

Switzerland.—Rate, 7 francs per 100 kilos gross weight; \$1.35 per 220 pounds. Duty per reaper, \$7.56; mower, \$6.22; hay rake, \$3.21. No twine used. Imports from United States are entered under minimum rates.

Spain.—Rate, 10 francs sold per 100 kilos gross weight; \$1.93 per 220 pounds. Duty per binder, \$20.65; reaper, \$11.33; mower, \$8.65; hay rake, \$4.69. Twine, 30 francs per 100 kilos; \$3.96 per 100 kilos; \$1.80 per 100 pounds. The United States enjoys the minimum rates.

Our manufacturers would prefer to make everything that they sell abroad in this country, but owing to the extensive duty and threatened discriminations in the tariff of some nations against the product of this country, there have been built factories in Canada and Sweden, and there will soon be built similar plants in Germany and France if they continue to sell goods in those markets, unless a favorable treaty can be ratified.

American farm machinery is wanted in foreign countries and commands a necessarily higher price than that manufactured locally at the native factories, due to their lightness of draft, adaptability to the service required, and general efficiency, and I believe that with a minimum and maximum duty, such as has been suggested, all foreign nations will treat us as well in tariff legislation as they do other countries, and we could still continue to enlarge the foreign business, thus giving employment to a larger number of employees in our factories as well as other industries, such as steel, iron, lumber, paint, and varnish, by the use of their products at home rather than to purchase abroad for the requirements of a foreign factory. Tools manufactured here and sold in foreign countries also furnish business for our bankers and shipping interests.

The CHAIRMAN. How long have you been engaged in the manufacture of these implements?

Mr. METCALF. Since 1890.

The CHAIRMAN. You were connected with D. M. Osborne & Co., of New York?

Mr. METCALF. Yes, sir.

The CHAIRMAN. At the time that you commenced your engagement with them, were they exporting to any extent?

Mr. METCALF. Our foreign sales in 1890 were about \$20,000.

The CHAIRMAN. Abroad?

Mr. METCALF. Yes, sir. Our exports have risen to over \$3,000,000 a year from Auburn.

The CHAIRMAN. They are \$3,000,000 a year now?

Mr. METCALF. They were for that one company at Auburn.

The CHAIRMAN. What means did your company take to obtain that trade abroad?

Mr. METCALF. We formed an organization in foreign countries the same as we had in this country. We visited the countries and learned what the people wanted and how they wanted their tools made, and made them as they wished them and did not try to compel them to take a machine which was known as a standard machine in this country.

The CHAIRMAN. Have you had difficulty with foreign tariffs?

Mr. METCALF. Very great difficulty.

The CHAIRMAN. In what countries?

Mr. METCALF. Particularly in France, Germany, and Austria. For instance, in Austria we are obliged to pay \$33.60 tariff on a binder, \$20.40 on a reaper, \$15.36 on a mower, and \$7.60 on a hayrake.

The CHAIRMAN. How much trade have you in Austria?

Mr. METCALF. We have not a very large trade in Austria; we have a larger one in France. In France we are obliged to pay the maximum duty, while England, who is our principal competitor in the foreign markets, is able to send her goods into France at the minimum duty. We pay on a grain binder \$23.31.

Mr. GAINES. What does that binder retail for in this country?

Mr. METCALF. I can not tell you the exact retail price. It is, according to the section of the country, all the way from \$125 to \$135. We pay 15 francs per 100 kilos, while Great Britain is able to export her farm machinery to France upon payment of 9 francs per 100 kilos, and that makes a difference, for instance, on a grain binder of nearly \$10. On a reaper we pay \$12.36, while the English manufacturer only pays \$7.42. On a mower we are compelled to pay \$9.35, while England gets her mowers into France for \$5.61. On a hayrake we pay \$5.20, and England pays only \$3.12.

The CHAIRMAN. You get in on the minimum duty in Germany?

Mr. METCALF. There is but one tariff on agricultural implements, but possibly next year there will be a maximum duty in Germany.

The CHAIRMAN. On agricultural implements?

Mr. METCALF. Yes, sir.

The CHAIRMAN. There is a minimum tariff now?

Mr. METCALF. Yes, sir; but there is a difference of opinion there in regard to a duty on agricultural implements. They are a very aggressive people and they copy our tools and then offer them as the product of the American factory, although made in Germany.

The CHAIRMAN. The Osborne Company was merged afterwards into the International Harvester Company?

Mr. METCALF. Yes.

The CHAIRMAN. The International Harvester Company has a plant at Hamilton, Ontario?

Mr. METCALF. They have one there.

The CHAIRMAN. Are you exporting from Canada?

Mr. METCALF. They are.

The CHAIRMAN. To what countries?

Mr. METCALF. All the foreign countries and particularly to France. We are very much interested at the present time in the treaty between Canada and France.

The CHAIRMAN. You get the benefit of the minimum tariff in France for your Canadian concern?

Mr. METCALF. They do not now, but will under the treaty which is expected to be ratified between France and Canada.

The CHAIRMAN. At the present time you pay the maximum duty?

Mr. METCALF. Yes, sir.

The CHAIRMAN. And you have your foreign trade with your American plant?

Mr. METCALF. Yes, sir.

The CHAIRMAN. Mr. Miles stated that he had not tried to get the foreign trade for similar articles which he manufactured.

Mr. METCALF. He does not manufacture binders.

The CHAIRMAN. But harrows and plows?

Mr. METCALF. Yes, sir; the small goods he manufactures.

The CHAIRMAN. He stated that he was not able to because of the tariff wall; but you have been able to do so, notwithstanding the foreign tariff?

Mr. METCALF. D. M. Osborne & Co. did and the International Harvester Company have.

The CHAIRMAN. He said that the tariff on his raw materials handicapped him so that he had not been able to sell abroad.

Mr. METCALF. The International Harvester Company have built up a foreign business amounting last year to \$26,000,000.

The CHAIRMAN. What price do you get there in comparison with this country?

Mr. METCALF. The export business is better than the domestic business, and that is why they have been making such a special effort to get into the foreign countries.

The CHAIRMAN. On the whole, the result is that your foreign business nets you a larger price for the same article than the price in the United States?

Mr. METCALF. It does.

The CHAIRMAN. You advocate that these articles be placed on the free list?

Mr. METCALF. Yes, sir.

The CHAIRMAN. Do you make any condition in reference to any articles which you use as a condition precedent to that—a revision in the tariff on steel or any other of the articles which you use?

Mr. METCALF. I think the fact that the International Harvester Company have been able with the present tariff to build up a business abroad of \$26,000,000 last year is the best answer possible to that question.

The CHAIRMAN. Twenty-six million dollars for all the plants?

Mr. METCALF. Yes, sir; for all the plants. I have some figures here to show that the prices are much less to-day than in the past, when D. M. Osborne & Co. built up their business.

The CHAIRMAN. On what?

Mr. METCALF. On the steel that we use a great deal of in our factory. I have here an advertisement torn out from a book issued September 13, 1899, by D. M. Osborne & Co., showing the cost per pound of all raw materials going into our products, and I have in the same line, in red ink, the price of the same materials on November 26.

Mr. NEEDHAM. 1907?

Mr. METCALF. 1908.

The CHAIRMAN. What is the first date?

Mr. METCALF. The first date, when we were making a struggle for the foreign business, September 13, 1899.

The CHAIRMAN. Of course you will put those figures in with your statement?

Mr. METCALF. I will. I happened to find it in our scrapbook.

Mr. UNDERWOOD. If it is not too long, please read it.

The CHAIRMAN. Yes; we would like to have you read it.

Mr. METCALF. This was issued, before the formation of the United States Steel Corporation or the International Harvester Company, in the Iron Metal Trades for September 13, 1899. We paid for foundry pig, No. 2, \$22.25 in 1899.

The CHAIRMAN. For what?

Mr. METCALF. For foundry pig, No. 2, standard, Philadelphia market. To-day the price is \$17.25. In 1899 we paid \$20 for southern pig in the Cincinnati market, and it is \$16.25 to-day. In 1899 we paid \$21.50 for pig iron in Chicago, and now we pay \$17. Bessemer pig was sold in 1899 at \$23.25 and is now \$17.40. Gray forge pig iron, Pittsburg, in 1899 we paid \$20.50, and now it is \$15.15. In 1899 we paid \$23.50 for Lake Superior charcoal iron in Chicago, and now it is \$19.50. As the chairman knows, we have had to buy billets for years for our use, and therefore I include billets in this circular. We paid in 1899 for billets \$38.50 a ton. To-day the charge is \$25 a ton. We paid in 1899 \$41 for steel billets in Philadelphia, and they are \$26.20 now. We paid in 1899 \$41 for steel billets in Chicago, and we pay now \$26.25. We paid in 1899 \$45 for wire rods in Pittsburg, and they are now \$33. Finished iron and steel: We paid in 1899 \$2.05 for refined iron bars, and we pay to-day \$1.50. I think there is an inside price of \$1.40 at the present time. At Youngstown we paid for common iron bars in 1899 \$2, the price to-day is \$1.50. In 1899 we paid for steel bars at Pittsburg \$2.35, and the price to-day is \$1.40. We paid for sheets in 1899 \$3.40, and the present price is \$2.50. For wire nails we paid in 1899 \$2.80, and we pay now \$1.95. In 1899 we paid for cut nails \$2.40; the present price is \$1.75. We paid for copper in 1899 \$18.50; now it is \$14.50. For spelter we paid in 1899 \$5.50, and it is now \$4.95. For lead we paid in 1899 \$4.60, and now we pay \$4.22½. For tin we paid in 1899 \$32.75, and now we pay \$30.25. We paid for nickel in 1899 \$36, and the price now is \$45; that is higher. For tin plate we paid in 1899 \$4.82½, and the present price is \$3.89. Those are all items that are used in our factory, and therefore in view of the statement made by Mr. Miles I was interested to look-up and see whether during the time D. M. Osborne & Co.

were building up this foreign business our material cost us so much less than it does now. In 1901 and 1902 there was a great depression in the prices of raw material used in the manufacture of harvesters, mowers, etc., and after that a substantial advance; but it never reached the prices paid in 1899, when D. M. Osborne & Co. were making their greatest increase in their foreign trade.

The CHAIRMAN. Your idea is that Mr. Miles could send his things abroad and get the trade?

Mr. METCALF. Mr. Miles is a personal friend and competitor of mine in some lines and I do not want to say anything derogatory about Mr. Miles's judgment, but he and I are rather divided on the methods and ways of getting business abroad. The way to get it is to go there and find out what the people want and build it for them.

The CHAIRMAN. Go after it?

Mr. METCALF. I have found in this foreign business in central Russia—I used to go there every year—circulars and letters sent out by other manufacturers of agricultural machinery, written and printed in the English language and sent to places where they did not have even an English interpreter, and they expected to get business by that method abroad. The same thing has been done in all parts of Europe, but I have seen it in central Russia myself.

The CHAIRMAN. Have you made any use of the drawback clause in exporting?

Mr. METCALF. We have. We have a rolling mill in Auburn. We have always watched the foreign market on pig iron and steel billets, and we probably have imported more steel and more pig iron into the Auburn factory than almost any other manufacturer of agricultural implements, for two reasons—it is near the seaboard and handy to import and export, and we found it decidedly to our advantage in the foreign business. It places us nearer the competitive prices of our competitors abroad.

Mr. GAINES. Do you get the rebate?

Mr. METCALF. The refund of duty.

Mr. GAINES. The refund of duty?

Mr. METCALF. Yes, sir; on imported material used in our exports.

Mr. GAINES. I understood Mr. Miles to say that that was impracticable if a person does do a business larger than to employ 1,500 hands. What would you say about that?

Mr. METCALF. It is feasible and open to any man employing 100 hands, as I understand the law, although we have 3,500 men at our factory at Auburn; but the same thing is feasible to anyone, no matter how small his factory is, if he keeps a strict account of the imported material and how he uses it in his factory.

The CHAIRMAN. You say that you looked into it and got onto the right track and learned to keep the books and accounts properly. After you got to that point you had no difficulty in getting the proper allowance for drawback?

Mr. METCALF. I asked the Treasury Department to send a special agent up there to give us special instructions. I felt that was important to our interests.

The CHAIRMAN. I think your office went so far as to send a special agent up there?

Mr. METCALF. That is what I stated.

The CHAIRMAN. In order to get the right information?

Mr. METCALF. Yes.

The CHAIRMAN. After that you had no difficulty?

Mr. METCALF. No difficulty; a very great advantage.

The CHAIRMAN. The Johnson Harvester Company is a small concern, is it not?

Mr. METCALF. They do not consider themselves very small.

The CHAIRMAN. I know, but it is small in comparison with the International Harvester Company?

Mr. METCALF. Yes.

The CHAIRMAN. It is one of the independent companies?

Mr. METCALF. Yes, sir.

The CHAIRMAN. And about the average size of the other companies, aside from the International Harvester Company?

Mr. METCALF. Yes.

The CHAIRMAN. In a brief which they have filed I notice they say that their industry is rather unprotected, and they speak of the difficulties of getting a part of the trade in the foreign markets. They seem to think, in their brief, that you have an advantage over them because of your Canadian factory. As I understand you, the tariff in France is the same as to Canada and the United States up to date?

Mr. METCALF. It is.

The CHAIRMAN. But it is expected that a treaty will be made soon that will give Canada the benefit of the minimum rate of duty?

Mr. METCALF. It is. Sir William Fielding, the minister of finance of Canada, told me that France never would have considered that had it not been for the minimum and maximum tariff of Canada; that that was the means by which they were able to make that treaty. They are getting in under it because of the minimum and maximum tariff of their own.

The CHAIRMAN. As a practical man, is it your opinion that with a minimum and maximum tariff we will be able to make better trade agreements with the other nations that have the same kind of tariff?

Mr. METCALF. It is. There is a difference of opinion, Mr. Chairman, on that subject. I am one of those who believe that we should have a uniform tariff for everyone and then a maximum tariff for those nations that do not give us a fair deal with other nations.

The CHAIRMAN. By a uniform tariff, what do you mean, a protective tariff?

Mr. METCALF. A protective tariff which will protect our industries and maintain the present wage scale, and then a still higher tariff for those nations which will not enable us to sell our products in their countries on an equal basis with Great Britain.

The CHAIRMAN. You have been pretty intimately connected with the foreign business in this concern, have you not, for a number of years?

Mr. METCALF. Yes.

The CHAIRMAN. Frequently going abroad and visiting all your agencies there, or most of them?

Mr. METCALF. Almost every year up to 1905.

The CHAIRMAN. And at the same time you have given personal attention to the details of manufacturing at home, not so much in later years, but formerly, giving particular attention to the details

of manufacturing, so as to become acquainted with the cost price of the business all through?

Mr. METCALF. As general manager of D. M. Osborne & Co. it was my business and I did it.

The CHAIRMAN. When you went abroad, did you make any inquiry as to the cost of production there of similar tools?

Mr. METCALF. I did.

The CHAIRMAN. And you say that American machine tools sell better and at a better price in that market than the foreign-made tools?

Mr. METCALF. Yes, sir; they are lighter and better adapted for the purpose for which they are intended. We lead all nations in the constructing and building of agricultural implements.

Mr. FORDNEY. I understood you to say that the price of steel to-day is less than it was before the formation of the United States Steel Corporation?

Mr. METCALF. Yes, sir; it was lower in 1899.

Mr. FORDNEY. Mr. Miles stated the other day that he could not exist and do business and ship his goods unless the duty was taken off of steel, because the Steel Trust controlled the market, and the price was so high that he could not buy their product and ship abroad. I think that was the statement he made. You do not agree with him?

Mr. METCALF. That is not my experience, and we had a very large foreign business. Mr. Miles had not quite as large.

Mr. CRUMPACKER. I have had a few letters from manufacturers of farm implements in Indiana—I got one yesterday from Richmond—making the complaint that Mr. Miles made. They state that the steel, iron, lumber, and leather which they use has been going up year after year and year after year until the price had absorbed practically the entire profit. Garr, Scott & Co. wrote me to the same effect three or four weeks ago. That is an old concern, and probably you are acquainted with them?

Mr. METCALF. I know Mr. Carr, of the American Seeder Company, of Richmond, Ind., who do a large foreign business.

Mr. CRUMPACKER. Joseph Oliver, of South Bend, says the same thing. The M. Rumely Company and Ward, Dickey & Co. have written me along the same line, and some of them have given figures. Do you now say that the steel and iron used by the manufacturers of agricultural implements are lower than they were some years ago?

Mr. METCALF. Yes, sir; lower than in 1899, but not as low as in 1901 and 1902.

Mr. CRUMPACKER. Has the price been going down?

Mr. METCALF. Since the formation of the United States Steel Corporation the price of steel has been more uniform and has not fluctuated as much as it did prior to that time. We were particularly interested in this subject because we had a rolling mill.

Mr. CRUMPACKER. For a ten-year period has the average price been as low since the formation of the United States Steel Corporation as it was before in a like period?

Mr. METCALF. I do not think so, for the reason that the past five years have been very prosperous and there has been a demand beyond the possibility of production in some lines of goods that are used

in the manufacture of harvesters, mowers, etc., which caused an increase in prices, as shown by the following table of comparison:

Comparison of prices of principal materials and of labor used in making harvesting machines.

Materials.	Contract prices, 1901-2. ^a	Contract prices, 1907. ^a	Increase.
Pig iron:			<i>Per cent.</i>
No. 2 foundry iron	\$13.50 per ton	\$20.75 per ton	53.7
Malleable Bessemer	\$14.50 per ton	\$21.40 per ton	47.6
Steel	\$1.35 per cwt	\$1.665 per cwt	23.3
Lumber:			
Yellow-pine pole stock	\$26.00 per M	\$37.50 per M	44.2
Hardwoods	\$25.50 per M	\$37.50 per M	47.0
Crating	\$9.00 per M	\$15.00 per M	66.6
Cotton duck	\$0.27 per yard	\$0.365 per yard	35.1

^a Current market prices show an increase of from 10 to 15 per cent over the contract prices used above.

Wage.	1902.	1906.	Increase.
Average wage per hour, combining time and piece work	<i>Cents.</i> 19.4	<i>Cents.</i> 22.6	<i>Per cent.</i> 16.5

Mr. CRUMPACKER. Another question about lumber: Has the price of the lumber which you use gone up or down or been stationary?

Mr. METCALF. The duty is \$2 a thousand, and the price has increased very much more than \$2.

Mr. CRUMPACKER. Now, you use some leather?

Mr. METCALF. They do not.

Mr. CRUMPACKER. You recommend an abolition of the duty on farm implements, do you not?

Mr. METCALF. I do.

Mr. CRUMPACKER. What for?

Mr. METCALF. So as to open the markets of all nations on an equal basis so as to increase our foreign business.

Mr. CRUMPACKER. That we have but one tariff for foreign manufacturers and treat them all alike, and you think that if we would abolish that tariff we can get better trade conditions in foreign countries?

Mr. METCALF. With the proviso which I recommend, which is very important to the smaller manufacturer.

Mr. CRUMPACKER. That is the retaliatory provision.

Mr. METCALF. If we do not get the same treatment they give favored nations, then they shall pay the 20 per cent tariff.

Mr. CRUMPACKER. Would it be any inducement to the foreign manufacturer of farm implements to open a market here for him when he can not compete successfully with you in his own market?

Mr. METCALF. There are some nations that would probably send some goods to this country.

Mr. CRUMPACKER. Why did you build your Canadian plant?

Mr. METCALF. Because of the Canadian duty.

Mr. CRUMPACKER. Do you manufacture any cheaper in Canada than in the United States?

Mr. METCALF. They do not.

Mr. CRUMPACKER. As cheaply?

Mr. METCALF. Comparatively.

Mr. CRUMPACKER. Can you manufacture cheaper than the English manufacturer or the German manufacturer?

Mr. METCALF. I think they can. Otherwise they could not compete with them in Germany and also in England.

Mr. CRUMPACKER. About labor, the price of labor is higher here than in England and Germany?

Mr. METCALF. Yes; it is.

Mr. CRUMPACKER. By manufacturing upon a large scale it enables you, with others, to make your products cheaper than your foreign competitor who has the cheaper labor?

Mr. METCALF. We have improved methods in this country in almost every industry which help our industries.

Mr. CRUMPACKER. You have not been able to do that simply on account of the tariff on iron and steel?

Mr. METCALF. I can not see how the tariff is responsible for the fluctuations of iron and steel, for the reason that I have paid, and every other manufacturer in this country has paid, as low as \$10 for pig iron, and it has been as high as \$25. Within the last ten years, since the Dingley bill was framed, there has been a difference of \$15 between the prices and only \$4 tariff; therefore I am one of those who believe that the fluctuation is largely the result of demand and supply.

Mr. CRUMPACKER. At the time that the price went high, if we had no tariff some of our consumers might be able to import products, and would not that tend to prevent the violent fluctuations?

Mr. METCALF. If the fluctuation was so large the tariff would not have any effect. D. M. Osborne & Co. were the only manufacturers of agricultural machinery importing pig iron at that time in the agricultural tool line.

Mr. CRUMPACKER. Iron and steel fluctuate in the foreign markets nearly as much as here?

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. You are a member of the International Harvester Company?

Mr. METCALF. I am employed by it.

Mr. CRUMPACKER. And you have an establishment at Auburn?

Mr. METCALF. They have.

Mr. CRUMPACKER. It is a constituent of that organization or combination.

Mr. METCALF. We sold out to parties who transferred it to them.

Mr. CRUMPACKER. How many establishments are in that combination?

Mr. METCALF. I do not know. I think they claim they have five companies.

Mr. CRUMPACKER. Five of the largest companies?

Mr. METCALF. We were not in originally. We sold out to them.

Mr. CRUMPACKER. You were a competitor for some time.

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. Do you know the capitalization of the International Harvester Company?

Mr. METCALF. I do.

Mr. CRUMPACKER. How much is it?

Mr. METCALF. One hundred and twenty million dollars.

Mr. CRUMPACKER. Do they have the Deering establishment?

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. What others?

Mr. METCALF. The McCormick; the Deering; the Plano; Warder, Bushnell & Gleesner, and the Milwaukee. These were the five companies originally organized as the International Harvester Company.

Mr. CRUMPACKER. They manufacture perhaps a majority of the reapers and mowers manufactured in the United States?

Mr. METCALF. They do.

Mr. CRUMPACKER. What percentage of the total output of this country does that big concern manufacture?

Mr. METCALF. I can not give the exact percentage.

Mr. CRUMPACKER. Could you approximate it?

Mr. METCALF. Possibly more than 50 per cent.

Mr. CRUMPACKER. Then you have another corporation called the "International Harvesting Company of America?"

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. That is the selling company?

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. So that the International Harvester Company manufactures the product and turns it over to the International Harvesting Company of America, who sells the product?

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. You manufacture especially for the foreign market in many lines?

Mr. METCALF. They manufacture for the domestic and also the foreign market.

Mr. CRUMPACKER. You stated a little while ago that the way you worked up your foreign trade was by going into the country and studying the conditions and habits and customs of the people and making what the people wanted?

Mr. METCALF. I did.

Mr. CRUMPACKER. So that, in a way, a portion of your output is designed and calculated to meet the foreign conditions?

Mr. METCALF. It is.

Mr. CRUMPACKER. A small institution manufacturing agricultural implements could not afford to do that. Take an institution like the one that Mr. Miles has; it could not afford to change the mode, style, and fashion of its output to meet the conditions abroad?

Mr. METCALF. Much smaller ones than Mr. Miles's claim to be doing it.

Mr. CRUMPACKER. I am speaking now of the ordinary manufacturing establishment in this country, what we call the small establishments like Garr, Scott & Co., of Richmond, Ind., which has but one model, perhaps, which they manufacture for the American market. They could not tell during the year how much of their product they sell abroad and probably could not afford to buy imported material, pay the duty, and keep track of it all the way through. They sell their surplus abroad as a rule?

Mr. METCALF. The International Harvester Company do not.

Mr. CRUMPACKER. I know you have a great gigantic concern which manufactures more than 50 per cent of all the farm implements in America, and that is a tremendous volume of business, of course. Of

course you can afford, with that large business, to make a specialty of the foreign trade with your \$120,000,000 of capital, but a small concern out in Indiana with \$75,000 capital can not afford to do that, can it?

Mr. METCALF. It can if it makes a specialty of it. I know of a company in Syracuse which manufactures some of the same lines of goods that Mr. Miles manufactures, and they have been able to do a large business by the same methods and ways we have. Mr. Manning, their treasurer, has been to Europe or South America every year.

Mr. CRUMPACKER. Do you think if the duty is taken off of farm implements that it would not hurt such institutions as I have described?

Mr. METCALF. Not with the proviso. So far as the International Harvester Company is concerned, I think I express their views when I say that it will not make any difference to them whether the duty is changed or not. They are selling their product so cheaply in this country, notwithstanding the increased cost of wages, etc., that it is immaterial; that affords them a certain amount of protection against foreign invasion, as it does every other manufacturer of agricultural tools, and with the proviso is perfectly safe, in my opinion.

Mr. CRUMPACKER. Every concern that trades in the foreign markets; but most of the institutions in this country have no foreign trade. These small independent plants scattered throughout the country, practically the only competition you have, would they suffer any if the tariff was taken off?

Mr. METCALF. I do not think so with the proviso.

Mr. CRUMPACKER. That proviso would not help them any because they do not go into the foreign markets.

Mr. METCALF. You think that there would be imported agricultural implements under the tariff as suggested by me. I do not believe they would be imported, because prices here are so low. I believe that will protect us against Canada, which is really the only nation that we have to fear.

Mr. CRUMPACKER. They would be imported if the prices were such as to justify it, but if the prices were so low as to keep them out, would it not starve out these independent concerns?

Mr. METCALF. I do not think so.

Mr. CRUMPACKER. Now, in regard to iron and steel, it has been stated that the large institution could stand a reduction, but the small independent concerns could not. Now, you represent the one great mammoth agricultural manufacturing concern and you say that you can stand an entire abolition of the duty, but I would like to know about the small independent concerns who could not afford it.

Mr. METCALF. I think Mr. Carr, of the American Seeder Company, of Richmond, Ind., would tell you the same thing that I have.

Mr. CRUMPACKER. He has been persistently insisting that the duty should be cut down on lumber, iron, steel, and leather.

Mr. METCALF. I do not object to that. I am not appearing on the iron and steel schedule. The question has been asked me if it was possible to go into the foreign markets with the present market price of iron and steel, and I said yes, that I got in at a higher price.

Mr. CRUMPACKER. You got in?

Mr. METCALF. I started with \$20,000 in a single year's business, and we built up a business of \$3,000,000 a year when we sold out.

Mr. CRUMPACKER. What company was that?

Mr. METCALF. D. M. Osborne & Co.

Mr. CRUMPACKER. I have seen that reaper.

Mr. BONYNGE. You stated that you sold the same goods abroad at a better price than you sold them in the United States?

Mr. METCALF. That is correct.

Mr. BONYNGE. Do you sell in any of the countries abroad for less than you do at home?

Mr. METCALF. They do not.

Mr. BONYNGE. You were not speaking of it as a general business, but that relates to all the different articles?

Mr. METCALF. Every one.

Mr. FORDNEY. Do you advocate a reduction of the duty on any of the raw materials that you use—lumber, iron, steel, and coal?

Mr. METCALF. I am not advocating anything in the shape of a reduction on other lines than my own. I do not believe it is necessary for me or my interests to sacrifice some other person's interest for us to go into the foreign markets.

Mr. FORDNEY. You use those raw materials?

Mr. METCALF. Yes, sir.

Mr. FORDNEY. You do not express yourself as being in favor of reducing the duty on any of those articles?

Mr. METCALF. I do not wish to express an opinion, because I do not wish to sacrifice another man's business for my own.

Mr. FORDNEY. That is fair. I have a letter from one of your competitors, and he thinks and he says that he needs the greatest quantity of protection to manufacture his product, but he wants lumber, iron, steel, and coal on the free list.

Mr. DALZELL. He is generous.

Mr. FORDNEY. He says his institution needs protection. He says that the manufacturers in the Middle and Western States must have protection in order to protect the labor, but he wants the raw materials all on the free list.

Mr. METCALF. I only appear in connection with the statement that we could not do a foreign business. I differ decidedly with that statement, and the facts and figures which I have submitted here I believe justify my position.

Mr. FORDNEY. I think you are fair.

Mr. RANDELL. You stated that you favored taking the duty off of binders?

Mr. METCALF. Yes, sir.

Mr. RANDELL. Is that the only article?

Mr. METCALF. The full line.

Mr. RANDELL. The full line?

Mr. METCALF. Covered by paragraph 460, section 1, which includes plows, tooth and disk harrows, harvesters, reapers, agricultural drills and planters, mowers, hoes, rakes, cultivators, thrashing machines, and cotton gins. The present duty is 20 per cent ad valorem.

Mr. RANDELL. You are engaged in the manufacture and sale of these articles?

Mr. METCALF. Have been.

Mr. RANDELL. When you say you are engaged, you mean the International Harvester Company?

Mr. METCALF. Yes, sir; and the company I was formerly connected with, D. M. Osborne & Co.

Mr. RANDELL. That company practically has the control of the market for such things now in this country?

Mr. METCALF. I do not think so.

Mr. RANDELL. What companies, if any, have control?

Mr. METCALF. No one has control of the market. It is a free market to everyone.

Mr. RANDELL. I do not know whether you understand me or not. Is there any such condition that practically that company can command the price and thus fix the price that is maintained in this country on these different articles?

Mr. METCALF. I think they act independently and fix what they believe is a fair price. I know the competitors have complained for several years that they did not advance their price as much as they ought to.

Mr. RANDELL. That is hardly an answer to my question. I think you know what I am driving at. This company is either in a position where it can practically fix the price or it is not in such a position.

Mr. METCALF. They can not fix the price over all of their competitors. They can control only their own price.

Mr. RANDELL. I understand that they make the price, and any other persons engaged in the same business understand that they had better adopt that price or otherwise they will have a war of competition that might sweep them out of the market altogether, and therefore, just as a matter of common sense, looking at the situation as it is, they try to avoid a war of competition by adopting the price that your company names.

Mr. METCALF. I do not think that condition exists on the sole ground that there has been a war on for the last twenty years. To my knowledge, for the last twenty years there has been conflict between the different manufacturers.

Mr. RANDELL. Is it not a fact that one of the companies that you are interested in was declared a trust in the State of Texas and pleaded guilty and has been excluded from the State?

Mr. METCALF. That is a western proposition with which I am not familiar.

Mr. RANDELL. Your company covers the whole country?

Mr. METCALF. I am located at Auburn and am particularly interested and acquainted with the facts at Auburn.

Mr. RANDELL. You are at Auburn, N. Y. You do not know anything about the International Harvester Company being adjudged a trust and excluded from Texas?

Mr. METCALF. I do not know.

Mr. RANDELL. Nor the other company that does the selling?

Mr. METCALF. I do not.

Mr. RANDELL. The International Harvesting Company of America?

Mr. METCALF. I do not.

Mr. RANDELL. You do not know anything about that?

Mr. METCALF. I do not.

Mr. GAINES. Is it a fact that the International Harvester Company was declared a trust?

Mr. RANDELL. That is my recollection from the newspaper. I do not wish to make a statement here reflecting upon any institution, but I know that there was some international harvesting company, either the one which manufactures or sells, which got into trouble, and, from my understanding, was excluded from the State.

Mr. GAINES. How long ago?

Mr. RANDELL. Last year or the first part of this year. I will communicate with the attorney-general.

Mr. GAINES. What was the effect on the price?

Mr. RANDELL. This was a special investigation, and I do not think it cut the price down.

Mr. BOUTELL. Right there, on that point. On the supposition that there is a harvester trust, and on the supposition that the organization of that trust is due to the tariff, and on the supposition that there is a dictation of price, and on the supposition that the tariff made that possible, I understand that you are here asking that the duty be repealed?

Mr. METCALF. I am here stating the case.

Mr. BOUTELL. Exactly. So, if this is all due to the tariff, you are here asking us to put an end to it?

Mr. METCALF. Yes, sir.

Mr. RANDELL. I will write to the attorney-general and get a statement from him as to what did take place, and I will file it with the committee.

The CHAIRMAN. Your proposition does not seem to fit anybody, Mr. Randell.

Mr. RANDELL. I want to prove that, Mr. Chairman.

The people who have large interests in the International Harvester Company and the International Harvesting Company of America also have large interests in the outside companies?

Mr. METCALF. I do not know.

Mr. RANDELL. The cost of your articles manufactured in America depends very largely upon the cost of iron and steel and the various things that enter into their manufacture?

Mr. METCALF. Yes, sir.

Mr. RANDELL. The tariff is an element which you recognize either does or can be used to increase that price, does it not?

Mr. METCALF. I do not see how, when the price varies from \$10 to \$25, a difference of \$15, and the tariff is only \$4.

Mr. RANDELL. That is not an answer to my question. It can be used or it can not be used by the consumer of that raw material? The tariff on the raw material would not tend to lower the price?

Mr. METCALF. Not necessarily.

Mr. RANDELL. It is an instrument which if used at all with any effect would be used to raise the price of material out of which you manufacture your product?

Mr. METCALF. That is not the record.

Mr. RANDELL. I am not arguing the matter. I want to get an answer to my question. Please answer yes or no. If such an instrument was used at all, it would have to be used to raise the price and not lower it?

Mr. METCALF. It might be.

Mr. RANDELL. You are here advocating the maintenance of such a power in the hands of those from whom you buy your raw material?

Mr. METCALF. No, sir.

Mr. RANDELL. You are here advocating the taking away of the tariff wall so far as your product is concerned, but are willing that the tariff on the other things should stand as it is. That is your position.

Mr. METCALF. I do not believe—

Mr. RANDELL (interrupting). You can answer that question "yes" or "no."

The CHAIRMAN. He has a right to answer it in his own way.

Mr. RANDELL. Have you any objection to answering a question "yes" or "no?"

Mr. METCALF. I prefer to hear the question.

Mr. CRUMPACKER (to Mr. Randell). That is hardly fair.

Mr. RANDELL. I think my question will be fair. My question is this: You are here, then, advocating the abolition of the tariff on your products, but are willing that the tariff should remain on all the raw material that you use, just as it is?

Mr. METCALF. I advocate the taking off of the tariff on agricultural implements and feel that the foreign market is open at the present price of the raw material, as was stated before; others feel that the competitors of ours can not go into the foreign market without taking off all the duty on the materials which enter into their products.

Mr. RANDELL. You are willing that the duty on these articles which you manufacture should remain as it is?

Mr. METCALF. It is necessary for us to go to the foreign market, and therefore we do not—

Mr. RANDELL. But you are willing that the duty shall remain as it is, as far as you are concerned?

Mr. METCALF. Individually, yes.

Mr. RANDELL. You manufacture in Canada?

Mr. METCALF. The International Harvester Company do.

Mr. RANDELL. If there is no tariff on these farming implements and machinery you can bring in your manufactured articles from Canada without any obstruction from the tariff and, of course, compete with the manufactured articles in this country, could you not?

Mr. METCALF. Not with the very proviso which I recommend should accompany the free list. If our goods go on the free list, it can only be done safely for the small manufacturer by the proviso which I suggest. As long as Canada has a duty of 20 or 25 per cent against us our Canadian products would have to pay a duty into this country.

Mr. RANDELL. But if they do not pay it?

Mr. METCALF. It is necessary to have it for the protection of the small manufacturer.

Mr. RANDELL. You manufacture in Canada and in the United States?

Mr. METCALF. The International Harvester Company do.

Mr. RANDELL. And you are reaching out for the foreign market?

Mr. METCALF. They are.

Mr. RANDELL. You would not expect to manufacture in the United States with a tariff on the raw material that you use and to send those articles to foreign countries, instead of manufacturing in Canada and sending those articles to the foreign countries?

Mr. METCALF. There is a higher duty in Canada than in the United States. On pig iron they have to pay \$7 bonus on every ton, \$3 higher than the duty in this country.

Mr. RANDELL. Have you considered whether or not it is to the interests of those manufacturing the goods to take off the tariff on harvesters and other implements you manufacture, farming machinery, and to leave it on the raw material that is used in the manufacture of those articles in this country?

Mr. METCALF. As far as the harvester company is concerned, they look upon it as immaterial whether the duty remains as it is or is changed as suggested by me.

Mr. RANDELL. I will ask you if that does not necessarily mean that they have a hold on the market in some way that makes them independent of the tariff and independent of competition?

Mr. METCALF. They have competition; but while manufacturers of almost all other machinery sold to farmers have increased their prices, to cover the increased cost, the International Harvester Company has avoided any substantial increase in its selling price and has endeavored to meet the increased cost by improved methods of manufacture.

Mr. RANDELL. Just put it this way. I am trying to get at the facts. If you were a farmer, if you represented the farming element of this country, which uses and buys these things—

Mr. METCALF (interrupting). I have been.

Mr. RANDELL. Knowing what you know about this matter, would you advocate what you advocate here?

Mr. METCALF. I certainly would.

Mr. RANDELL. You would advocate keeping the duty on the raw material that enters into the manufacture of these farming implements?

Mr. METCALF. I am not here advocating that. I say that it is immaterial—getting foreign business. What is far more important is the ability to get into other markets at a minimum duty, same as England does.

Mr. RANDELL. If you were speaking in the interests of the consumers of this country, would you from that standpoint, at the same time that you advocate the abolition of the duty on harvesters and other farming implements and machinery, advocate the abolition of the duty on the raw material that goes into those articles?

Mr. METCALF. If I believed, which I do not, that the tariff was responsible for the fluctuation of prices of the raw material.

Mr. RANDELL. I say, if you believed that the tariff affected the price, whether it influenced the fluctuation or not, you would be in favor of the abolition of it, would you not?

Mr. METCALF. I answered the question; if it affected another industry, I would not.

Mr. RANDELL. I am speaking simply of this industry, so far as that industry is concerned.

Mr. METCALF. But you can not impair and injure a large interest without affecting all of us—

Mr. RANDELL. Then, you give it as your opinion that it would wrongfully and improperly and injuriously affect the coal and lumber interests, if the tariff was taken off iron and lumber?

Mr. METCALF. I am not here advocating that.

Mr. RANDELL. Then why keep that matter up, when I am merely talking about the interests of another class?

Mr. METCALF. I am not here advocating a reduction of tariff on other lines than our own. I am not here advocating a retention of the tariff—

Mr. RANDELL. Do you know of anybody else in the manufacture of any other article that has ever come before this committee or before any other power and asked that the tariff be taken off of their manufactured article, and at the same time was willing for the tariff to be on the raw material they use to manufacture the article? Have you ever known such a thing before?

Mr. METCALF. Because, Mr. Randell, the prosperity of our company depends, as much as that of any other company in the United States, upon the general prosperity of this country; and this country can not prosper under free trade for all industries.

Mr. RANDELL. Do you not know that they all claim that if there is a tariff on the raw material they have to have a corresponding tariff on the manufactured article, or else it would abolish the manufacture of the article in this country?

Mr. METCALF. There is a difference of opinion among manufacturers.

Mr. RANDELL. In England they might make the machinery, and make it in a free market, and bring it in here and sell it in a free market against the manufacturer here.

Mr. METCALF. We will take our chances on that, owing to the low prices prevailing in this country.

Mr. RANDELL. Does that not show, to use a slang expression, that you have a cinch on the thing, independent of what the tariff may be on the raw material? That would be one of the methods to help break down the wall between this country and the other countries, and at the same time hitting at the steel trust and the lumber trust.

Mr. METCALF. We are entirely independent of the steel trust. As a matter of fact, we do not buy any steel or iron of them.

Mr. RANDELL. How long have you been out of the business?

Mr. METCALF. Personally, four years.

Mr. RANDELL. Is there not a blending of interests here of harvesters and other farming implements, and of lumber and iron and steel and of other products, and of the railroads and all that; do you not represent somewhat of a blended interest along those lines?

Mr. METCALF. The International Harvester Company have small industrial railroads, lumber interests, ore beds, furnaces, and rolling mills.

Mr. RANDELL. And when those who own the lumber cut it out of the forests and those who dig the ore out of the mines and manufacture these things then have the transportation business and fix the tariffs to suit themselves, what does the consumer get? If you can answer that question, I will be through.

Mr. METCALF. The past is the best criterion of the future, and prices have not advanced on agricultural implements in proportion to what they have in other lines.

Mr. RANDELL. The price has not advanced on coal oil, either, but that does not keep it from being a trust and injurious to the public.

Mr. METCALF. There is no line of goods made in the United States that is sold as cheap, for the amount of labor and amount of material in it, as agricultural implements to-day.

Mr. RANDELL. Do you think the liberties of the people depend on how cheap they can get something sold by the trusts or upon the freedom each man has in the race of life and not to be hampered by somebody that has a monopoly or by somebody who has the people in his power?

Mr. METCALF. There is nothing in the present conditions to prevent anybody from going into the business.

The CHAIRMAN. In order to properly connect the railroads, is it not a fact that your company owns a railroad near Auburn about a mile long?

Mr. METCALF. Yes, sir.

Mr. CRUMPACKER. And one in Chicago probably about 3 miles long?

The CHAIRMAN. I wanted to bring that out so as to properly connect the railroads in this blending.

Mr. RANDELL. I was not intending to get on anybody's toes, politically or otherwise, in reference to this matter, but trying to find out whether there was, as I believed, a combination of the various capitalized corporations in this country to control the business of the country. It is a matter the people are interested in.

The CHAIRMAN. If you think by that question you have got onto his toes, proceed.

Mr. RANDELL. I thought perhaps I had got off his toes——

The CHAIRMAN. I would like to ask you whether you object to taking this duty off?

Mr. RANDELL. No, sir.

The CHAIRMAN. I thought you did from the tone of your inquiry?

Mr. RANDELL. No. I can express my position. I am in favor of taking the tariff off all farming implements, tools, and machinery; and I am in favor of a tariff that will then give to the manufacturer, the honest manufacturer in this country, a chance to manufacture those things. Therefore, I am in favor of taking the tariff off the raw material. I will ask you, if you will pardon me, are you not in favor of the same thing, or are you against it?

The CHAIRMAN. I did not understand all you said in regard to your position.

Mr. RANDELL. My position is that I am in favor of taking the tariff off.

The CHAIRMAN. I want to say right here that this side of the House, having some responsibility in regard to the making of the tariff bill, before we make any tariff bill, I, for one, am not declaring myself on any proposition. Wherever I have declared it publicly before I have not hesitated about the matter, and I do not hesitate now to say so; but on these other propositions—I am not standing alone—I want to consult with the other Members——

Mr. RANDELL. I am much obliged for the compliment the chairman has paid me. I understand him to say that he wants to consult me before making his mind up. I hope he will profit by that consultation in the making up of the bill.

Mr. CRUMPACKER. Do you manufacture steel and iron for the trade or just for your own use?

Mr. METCALF. Principally for our own use at Auburn.

Mr. CRUMPACKER. Do you manufacture substantially all that you use yourself?

Mr. METCALF. Yes; we do sell some surplus product, but not very much.

Mr. CRUMPACKER. To whom?

Mr. METCALF. To other agricultural-implement concerns and other concerns.

Mr. CRUMPACKER. Do you manufacture substantially all of your own iron?

Mr. METCALF. Not entirely.

Mr. CRUMPACKER. So you do not buy iron in the trade, in the market, like these independent manufacturers do?

Mr. METCALF. They do not very much.

Mr. CRUMPACKER. That is all.

Mr. RANDELL. One question on that line. Then, if the tariff was to remain on this raw material, you, being a producer of it, can manufacture just the same as if there is free trade along that line, but your competitor would have to buy his raw material under the tariff and would not have an opportunity to sell as against you; is not that the fact?

Mr. METCALF. As a matter of fact their iron and steel business is entirely separate, and their agricultural-implement business pays the same as any other agricultural-implement concern in the United States to the steel company.

Mr. RANDELL. I thought you said that you did it; in other words, that you have one pocket as a manufacturer and another pocket in which you have raw materials. That is all.

The CHAIRMAN. Your competitors do manufacture and sell abroad as well as yourself?

Mr. METCALF. Many of them.

Mr. NEEDHAM. Why is it that steel is so much cheaper now than in 1899, and these agricultural implements are so much higher?

Mr. METCALF. I do not think they are.

Mr. NEEDHAM. Is it not a fact that mowers and reapers and wagons are higher than they were in 1899?

Mr. METCALF. Not materially; nowhere near as much cost of production in proportion to the increase.

Mr. NEEDHAM. That is generally supposed to be the fact, is it not?

Mr. METCALF. There were a good many stories told during the campaign that can not be backed up by facts.

Mr. RANDELL. There is no doubt about that. If that had not been the case the election would have been different.

Mr. LONGWORTH. Have you a market in China and Japan?

Mr. METCALF. They have not. There is very little grain cut there, and they do not go anywhere where grain is not cut.

Mr. LONGWORTH. There is a good deal of grain cut in Manchuria.

Mr. METCALF. They go to Manchuria, but they call that a Russian province and not Japanese.

HATTER'S PLUSH.

[Paragraph 461.]

PHILADELPHIA, *November 30, 1908.*

HON. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR:

* * * * *

There is one question that I would like to put before you. I put it before the committee during the preparation of the last tariff, and that is hatter's plush. It comes under a separate duty from any other article, and it is purely a luxury, used for the manufacture of silk hats. Now, if there is anything that should pay a duty, it should be this, because it is a luxury to all intents and purposes. There is none made here, nor ever will be any made here as long as the rate of duty remains as it is.

Thanking you in anticipation of your interest in the above schedule, I remain,

Yours, sincerely,

JAMES DOBSON.

UMBRELLA AND PARASOL HANDLES.

[Paragraph 462.]

IMPORTERS AND MANUFACTURERS OF CANES AND PARASOL AND UMBRELLA FITTINGS ASK FOR REDUCTION OF DUTY ON UMBRELLA HANDLES.

63 WALL STREET,
New York City, February 15, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The following brief in the interest of the undersigned manufacturers and importers of walking canes and parasol and umbrella fittings, asking for a reduction in the proposed new tariff of the rate of duty on sticks and handles for walking canes, parasols, and umbrellas, is respectfully submitted to your committee for consideration.

NO CHANGE IN PRESENT RATE OF DUTY ASKED FOR IN COMPLETED UMBRELLAS AND PARASOLS OR RIBS AND FRAMES.

The present tariff under paragraph 462 provides, among other things, for sticks for umbrellas, parasols or sunshades, and walking canes, finished or unfinished, at 40 per cent ad valorem.

The importation of completed parasols or umbrellas into the United States, except for the purpose of copying, is practically nil, and from any American view point is not considered necessary or desirable

that the present duty on completed umbrellas or parasols be reduced, and for the purposes of this brief we may eliminate the question of parasols and umbrellas, confining the argument to the particular item, the subject of this brief, in its relation to parasols and umbrellas.

A large part of the latter consisting of the frame, ribs, and stretcher, is specifically provided for *eo nomine* under paragraph 170 of the present tariff, and for economic reasons unnecessary to enlarge upon it is admitted that the provision at present in force is equitable and proper from an American view point.

Handles for parasols and umbrellas are imported into this country from England, France, Germany, and Austria to the value of about \$400,000 annually, and it is believed that the value of the American product for the same period is approximately \$1,500,000. No reliable basis for comparison, however, for tariff purposes can be obtained from these figures, for the reason that probably 80 per cent of the latter sum represents sterling silver workmanship which is entirely of American product and manufacture. The imported handles are made principally of galilith (a product of casein), horn, wood, ivory, vegetable ivory, and metal, or a union of two or more of these materials, the present tariff fixing the rate of duty according to the component material of chief value, at 20 per cent, 30 per cent, 35 per cent, and 45 per cent.

The handle as an integral part of an umbrella or parasol represents probably 25 per cent of the cost of the completed article. The American manufacturers of umbrellas and parasols do not manufacture any handles, and the many novelties which are imported aid them materially in the sale of their product, the ideas and designs of the European countries as represented in this particular line fixing or influencing fashions or tastes in the United States.

In the umbrella and parasol manufacturing industry in this country the annual output would figure about \$12,000,000, of which sum, as above noted, the import value of handles would represent approximately 3 per cent, and this proportion, while exerting practically no influence on the principle of protection to American industries (rather, on the contrary, stimulating and encouraging the native American imitative genius), represents, nevertheless, an appreciable advantage to the average American consumer. In the trade in this country umbrellas and parasols are usually segregated for selling purposes into prices of 75 cents, \$1, \$1.50, \$2, \$3, and \$5 per piece, which prices are made in harmony with or regulated by the handle attached to the article; those selling for more than \$5 in most cases having American-made sterling silver, gold plated, or chased handles.

In the opinion of the undersigned manufacturers and importers there is no principle of protection to American workmen involved in this class of merchandise; on the contrary, it would appear that a less restricted importation would be justified by lessening the cost of parasols and umbrellas to the American consumer; increased importations, thus yielding a greater revenue to the Government; improving the American manufactures.

We respectfully urge your committee to incorporate in the paragraph of the proposed new tariff law corresponding to paragraph 462 of the present tariff law a provision as follows:

“Sticks and handles and parts thereof for umbrellas, parasols, sunshades, and walking canes, finished or unfinished, 25 per cent ad valorem.” (See Exhibits A and B hereto attached.)

Respectfully submitted.

DOST & BRANDT,
265 West Broadway, New York City.
MORGENSTERN & GOLDSMITH,
77 White Street, New York City.
SWITZER & SCHUSSEL,
114 Franklin Street, New York City.

CHURCHILL & MARLOW,
Attorneys and Counsellors-at-Law, 63 Wall Street,
New York City.

EXHIBIT A.

112, 114 FRANKLIN STREET, NEW YORK,
February 15, 1909.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: I, Frederick E. Switzer, president of the corporation of Switzer & Schussel, importers and dealers in umbrellas and parasol fittings, walking canes, etc., at 112 Franklin street, New York City, N. Y., do solemnly and truly swear that I have been in such business for a period of over twenty years, and that I believe myself qualified as expert on such matters. That I have read the brief to be presented to your committee asking for a reduction in the rate of duty on umbrella handles, and that the statements made therein are, to the best of my knowledge and belief, true. That I am willing to appear before your committee on reasonable notice to testify on any matters connected with the subject of the brief.

Yours, truly,

FREDERICK E. SWITZER.

Subscribed and sworn to before me this 15th day of February, 1909.

[SEAL.]

EDWIN C. GIBSON,

Notary Public for Kings County, No. 89.

Certificate filed in New York County.

My commission expires March 30, 1909.

EXHIBIT B.

77 WHITE STREET, NEW YORK,
February 15, 1909.

WAYS AND MEANS COMMITTEE,
Washington, D. C.:

I, Eugene J. Goldsmith, a member of the firm of Morgenstern & Goldsmith, importers and dealers in umbrella and parasol fittings, walking canes, etc. at No. 77 White street, New York City, N. Y., do solemnly and truly swear that I have been in such business for a period of fifteen years, and that I believe myself qualified as an expert on such matters.

That I have read the brief to be presented to your committee asking for a reduction in the rate of duty on umbrella handles, and that the statements made therein are, to the best of my knowledge and belief, true.

That I am willing to appear before your committee on reasonable notice to testify on any matters connected with the subject of the brief.

EUGENE J. GOLDSMITH.

Sworn to before me this 15th day of February, 1909.

[SEAL.]

LEO LEVY,

Notary Public, No. 54, New York County.

NEW RUBBER WASTE.

[Paragraph 463.]

B. A. LEVETT, NEW YORK CITY, RECOMMENDS THAT NEW RUBBER WASTE BE ADMITTED FREE OF DUTY.

SATURDAY, *November 28, 1908.*

Mr. LEVETT. Mr. Chairman and gentlemen: The parties I represent are importers of scrap rubber. With one exception, which I will point out, that is all assessed at 10 per cent under paragraph 463 as waste not otherwise provided for. That scrap consists of new pieces of rubber. That would come in free under paragraph 579 of the free list if it were not new. That provision says:

India rubber, crude, and milk of, and old scrap or refuse india rubber which has been worn out by use and is fit only for remanufacture.

These scraps comply with the requirement that it shall be fit only for remanufacture. They can not be used for anything else. They are remanufactured into other rubber used as adulterants and so on, and for no other purpose. As they come in they can have no other use. Here is one clipping; that is a cutting from the lining of rubber boots and shoes [exhibiting clipping]. That came in up to about four months ago at 10 per cent under this paragraph 463 as waste not specially provided for, and it generally came in through the border ports from Canada. A shipment came along and the collector at Rouses Point was a little in doubt about the rate and he wrote to New York and asked the appraiser what rate should be put on that. The appraiser at New York had it analyzed and he found that this was in part wool, and he said "This is not waste not specially provided; it is specifically provided for as wool waste at 20 cents a pound." The value of that wool waste is 5 cents a pound, and the word went out that this was to pay 400 per cent duty as wool waste.

Mr. CLARK. Four hundred per cent?

Mr. LEVETT. Four hundred per cent; and at the time that this order went out, B. Loewenthal & Co., whom I represent, had a shipment that had come in at St. Albans, Me. This shipment amounted to \$2,000. There were 40,000 pounds. The duty was assessed at \$200. Then came the word from New York that the duty should be 20 cents a pound, which made the duty \$8,000. Fortunately, we were informed in time, so that we telegraphed up to the broker not to pay the duties, and therefore the collector would not pass the goods; under the law we applied to the Secretary of the Treasury for permission to export those goods by paying 1 per cent of the duty. That permission was granted, and we shipped out those 10,000 pounds of this wool waste; we have not imported a pound since. The only way in which that rubber can be recovered is by destroying the wool; it can not possibly be used for anything else but for the recovery of that rubber, and there is no reason under the sun why it should not come in free of duty, just as old rubber worn out by use comes in under paragraph 579. We ask not only that this should come in free of duty, but also that these pieces of new rubber should come in under

section 579, and to meet that proposition I ask that the paragraph be changed by omitting the word "old" and the words "which has been worn out by use and is," and by the addition of the words "and waste in part of rubber fit only for the recovery of the rubber contained therein," so that the paragraph will read:

India rubber, crude, and milk of, and scrap or refuse india rubber fit only for remanufacture; and waste in part of rubber fit only for the recovery of the rubber contained therein.

I do not want to tread on the toes of the wool people. The wool can not be used at all, and it is only a question of getting the rubber in free, which does not compete with any American manufacture and really furnishes employment to American labor. It is a fact that the manufacturers who use this and convert it into new rubber can not get enough of it, and that is why they import it from Canada; they can not get enough in this country. They import it and recover the rubber and use it in that way, and it can be used for nothing else.

—

B. A. LEVETT, NEW YORK CITY, FILES SUPPLEMENTAL STATEMENT RELATIVE TO NEW RUBBER CLIPPINGS.

NEW YORK, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As supplemental to my statement before you on behalf of B. Loewenthal & Co. and others relative to new rubber waste, I beg to make the following statement:

The provision covering rubber clippings as it appears in the present act seems to have been inserted for the first time in the act of 1890. It was reenacted in the same language in the act of 1894, and in the same language in the present act. The act of 1883 contained a provision in the free list for "India rubber crude and milk of." In the case of *Cadwalader v. Jessup & Moore* (149 U. S., 350) the Supreme Court had before it the question as to whether old india-rubber shoes were free of duty under this provision or were dutiable as articles composed of india rubber. While it was held that they were free, the amendment in the act of 1890 of the india-rubber free-list paragraph was undoubtedly made to cover such goods. Presumably the question of new scrap rubber was not brought to the attention of Congress, but if there was at that time any reason for excluding the new clippings from the free list, certainly that reason no longer exists, inasmuch as these scraps enter into no competition with any domestic article, and being fit only for remanufacture, their free entry serves to give employment to American workmen and to foster American industries, while their exclusion means the fostering of foreign industries. It is urged that absolutely no reason can be advanced why they should not be put upon the free list.

Respectfully submitted.

B. A. LEVETT.

(Representing B. Loewenthal & Co., Wm. H. Cummings & Sons, Theo. Hofeller & Co., Salomon Bros. & Co., Felix Salomon & Co., E. Bers & Co., J. Loewenthal & Sons.)

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