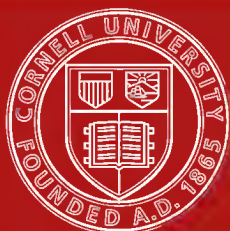


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TARIFF HEARINGS

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

SIXTIETH CONGRESS

1908-1909

SCHEDULE J

Flax, Hemp, and Jute, and Manufactures of



WASHINGTON
GOVERNMENT PRINTING OFFICE

1909

COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SERENO E. PAYNE, *Chairman*.

JOHN DALZELL.
SAMUEL W. McCALL.
EBENEZER J. HILL.
HENRY S. BOUTELL.
JAMES C. NEEDHAM.
WILLIAM A. CALDERHEAD.
JOSEPH W. FORDNEY.
JOSEPH H. GAINES.
ROBERT W. BONYNGE.

NICHOLAS LONGWORTH.
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—Print, 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 J.

**FLAX, HEMP, AND JUTE, AND
MANUFACTURES OF.**

SCHEDULE J.—FLAX, HEMP, AND JUTE, AND MANUFACTURES OF.

FLAX, HEMP, AND JUTE.

STATEMENT OF GEORGE F. SMITH, REPRESENTING AMERICAN FLAX, HEMP, AND JUTE SPINNERS.

MONDAY, *November 30, 1908.*

Mr. SMITH. Mr. Chairman and gentlemen, I wish to present a very brief statement from the spinners of flax, hemp, and jute, regarding the paragraphs of Schedule J which affect them.

The undersigned, representing all flax, hemp, and jute spinners interested in Schedule J, make the following recommendations to the Committee on Ways and Means:

Paragraphs 323, 324, 325, 326, and 327.

These paragraphs refer to raw material and we recommend that there be no change in the rates.

While there is very little flax raised for fiber in this country, we wish to encourage any fiber-producing industry and therefore ask that this duty remain.

Paragraph 328.

We recommend that this paragraph be changed so as to read as follows:

Single yarns made of jute, not finer than 5 lea or number, 1½ cents per pound and 10 per cent ad valorem; if finer than 5 lea or number, 35 per cent ad valorem.

Our reason for this change is that in the past nine years the average duty on yarns made of jute not finer than 5 lea has been only 28.43 per cent, and is not sufficiently protective to prevent importations of an average of 1,618,866 pounds of jute yarn per year. This yarn could have been made in this country had there been sufficient protection.

Paragraph 329.

We recommend that this paragraph be changed to read as follows:

Cables and cordage, composed of istle, tampico fiber, manila, sisal grass, or sunn, or a mixture of these or any of them, three-quarters of 1 cent per pound; cables and cordage made of hemp, tarred or untarred, 2 cents per pound.

The CHAIRMAN. You change in the first bracket from 1 cent to three-quarters of a cent?

Mr. SMITH. Yes, sir. This carries a reduction of a quarter of a cent per pound in the first half of the paragraph.

We recommend that paragraph 330 be changed to read as follows:

Threads, twines, or cords, made from yarn not finer than 5 lea or number composed of flax, hemp, or ramie, or of which these substances or either of them is the component material of chief value, 10 cents per pound—

That is instead of 13 cents.

The CHAIRMAN. That is reduced from 13 cents to 10 cents?

Mr. SMITH. Yes, sir. Then, further, we recommend that this paragraph be changed as follows:

If made from yarn finer than 5 lea or number 13 cents per pound and three-fourths of 1 cent per pound additional for each lea or number, or part of a lea or number, in excess of 5.

Mr. DALZELL. That is an increase?

Mr. SMITH. No, sir.

Our reason for this is that we believe that the duty on the coarser goods can be reduced to 10 cents per pound and still protect the American manufacturer.

Paragraph 331.

We advise that this paragraph be changed to read as follows:

Single yarns in the gray, made of flax, hemp, or ramie, or a mixture of any of them, not finer than 8 lea or number, 6 cents per pound; finer than 8 lea or number and not finer than 80 lea or number, 45 per cent ad valorem; single yarns, made of flax, hemp, or ramie, or a mixture of any of them, finer than 80 lea or number, 15 per cent ad valorem.

Mr. DALZELL. You raise the second paragraph?

Mr. SMITH. We raise the second paragraph and reduce the first.

The CHAIRMAN. It raises on all the numbers from 5 up to 80?

Mr. SMITH. Yes. We ask this for the reason that the paragraph as it now stands admits of a reduction on the coarser goods, while the rate is not enough to encourage the manufacture of medium yarns, the importations of which in the past nine years have averaged 538,176 pounds per year.

Paragraph 332.

We recommend that this paragraph remain unchanged.

We would also ask that the following new paragraph be inserted:

Ropes and twines, made wholly of jute, of two or more ply, doubled and twisted, but not polished, made from single yarns not finer than seven hundred and twenty feet to the pound, thirty per centum ad valorem.

This is a reduction in the rate of 33½ per cent, as the articles mentioned are now in the basket clause at 45 per cent.

Paragraph 347.

We recommend that this paragraph, commonly called the "basket clause," remain as at present, at 45 per cent.

Fully 95 per cent of the machinery used in the flax mills in this country is foreign made and is imported at a duty of 45 per cent. It is a conservative estimate to say that a flax-spinning plant in America costs at least one and one-half times as much as the same plant would cost in Europe.

Summarizing wages paid abroad and making comparison with wages paid in the United States, we find the average abroad to be 4.6 cents per hour, and in the United States 12.8 cents per hour.

In conclusion we most earnestly call the committee's attention to the fact that our industry receives less protection than that granted any other textile industry, as shown by the following figures:

	Per cent.
Wool -----	58.19
Cotton -----	53.38
Silk -----	52.68
Linen -----	33.66

This statement is presented by 24 concerns, the names of which are as follows:

American Manufacturing Company, by Anderson Gratz, Brooklyn, N. Y.; Allentown Spinning Company, by D. R. Malcolm, Allentown, Pa.; American Net and Twine Company, by Ivers S. Adams, East Cambridge, Mass.; Barbour Flax Spinning Company, by J. E. Barbour, Paterson, N. J.; Boston Thread and Twine Company, by John H. Ross, Jamaica Plain, Mass.; J. T. Bailey & Co., Philadelphia, Pa.; Cable Flax Mills, by E. A. Hartshorn, Schaghticoke, N. Y.; California Cotton Mills, by William Rutherford, Oakland, Cal.; Chelsea Fiber Mills, by Frank L. Pierce, Brooklyn, N. Y.; Columbian Rope Company, by Edward D. Metcalf, Auburn, N. Y.; Dolphin Jute Mills, by Samuel S. Evans, Paterson, N. J.; Dunbarton Flax Spinning Company, by James W. Wallace, Greenwich, N. Y.; Finlayson Flax Spinning Company, by David Harvey, North Grafton, Mass.; Hanover Cordage Company, by Fred W. Webber, Hanover, Pa.; Kentucky River Mills, by R. W. McReery, Frankfort, Ky.; Ludlow Manufacturing Associates, by Cranmore N. Wallace, Ludlow, Mass.; Marshall & Co., by J. S. Coey, Newark, N. J.; Overman & Schraeder, Covington, Ky.; Planet Mills, by Alexander F. Crichton, Brooklyn, N. Y., and Wilmington, Del.; Smith & Dove Manufacturing Company, by George F. Smith, Andover, Mass.; Schlichter Cordage Company, Philadelphia, Pa.; Sutherland & Edwards, by John G. Edwards, Paterson, N. J.; James Thompson & Co., by James Thompson, Valley Falls, N. Y.; West End Flax Mills, by P. C. Chase, Millbury, Mass.

Mr. UNDERWOOD. Mr. Witness, you are a manufacturer of jute cloth?

Mr. SMITH. No, sir; I am a manufacturer of flax threads and twines.

Mr. UNDERWOOD. Where does your principal competition come from, from abroad?

Mr. SMITH. From abroad.

Mr. UNDERWOOD. I say what countries abroad does your principal competition come from?

Mr. SMITH. From Ireland, Scotland, Germany, and France.

Mr. GRIGGS. None from Belgium?

Mr. SMITH. Yes; from Belgium as well.

Mr. GRIGGS. Yes.

Mr. UNDERWOOD. You stated this, I believe, but I did not catch it fully. What is the percentage of imports as compared to the consumption of the product in this country? In other words, how much

of the product is imports and how much is manufactured in the United States?

Mr. SMITH. There are no figures available for that.

Mr. UNDERWOOD. Are there any importations?

Mr. SMITH. Yes, sir; in all of these schedules there are importations.

Mr. UNDERWOOD. What are the importations in your line?

Mr. DALZELL. What is your line?

Mr. SMITH. Flax threads and twines.

Mr. DALZELL. Do you know what paragraph covers it?

Mr. SMITH. Yes, sir; it is covered by paragraphs 330 and 331. I have not the figures here of the importations.

Mr. UNDERWOOD. I had the wrong paragraph in front of me.

Mr. DALZELL. One million six hundred and sixty thousand eight hundred and thirty-five pounds under paragraph 331 and 553,572 under paragraph 330.

Mr. UNDERWOOD. You say that you are not able to give us the amount of the importations?

Mr. SMITH. Yes, sir; I can give them to you here, now. Under paragraph 330, threads, twines, and cords, importations not finer than 5 lea, 30,175 pounds, valued at \$6,408. In the rest of the paragraph, finer than 5 lea or number, the importations amounted to 465,749 pounds, of the value of \$317,319.

Mr. UNDERWOOD. There is a very small percentage of importations as compared with the production in the home market, is there not?

Mr. SMITH. I should say yes.

Mr. UNDERWOOD. I notice that the American manufacturers are able to export something like five and a half millions, and a large portion of that goes to British Honduras.

Mr. SMITH. That does not come into this schedule.

Mr. UNDERWOOD. It is not in this schedule?

Mr. SMITH. It is not in this part of the schedule.

Mr. UNDERWOOD. Are there any exportations in your line?

Mr. SMITH. None of moment, if any, exported. There might be a few thousand pounds, possibly, shipped to some South American country, perhaps in shoe thread, where a concern here had started a factory there; but the exporting cost is far in advance of the cost of the exportations from Europe or Belgium.

Mr. UNDERWOOD. You claim, therefore, that you are not able to export?

Mr. SMITH. No, sir.

Mr. UNDERWOOD. But you practically control the home market under the present rate of duties?

Mr. SMITH. We control it; I should say probably 75 per cent.

Mr. UNDERWOOD. That is all I wanted to ask.

Mr. GRIGGS. How high do you go in numbers?

Mr. SMITH. In this country?

Mr. GRIGGS. Yes; the number of threads.

Mr. SMITH. Our own concern does not spin finer than 40. I think possibly some of the other concerns go to 60.

Mr. GRIGGS. You go as high as 40?

Mr. SMITH. Forty.

Mr. GRIGGS. Then your protection above 5 lea is three-quarters of a cent on each number?

Mr. SMITH. Three-quarters of a cent for each number.

Mr. GRIGGS. For each number higher?

Mr. SMITH. Yes; beginning at 13 cents.

Mr. GRIGGS. Which would give you 13 cents per pound up to 5 lea, and then the difference above that.

Mr. SMITH. At the present time we have 13 cents up to 5 lea.

Mr. GRIGGS. Up to 5 lea?

Mr. SMITH. Yes.

Mr. GRIGGS. And then above 5 lea you go as high as 40?

Mr. SMITH. Yes.

Mr. GRIGGS. And you have three-quarters of a cent for every lea above that?

Mr. SMITH. Additional.

Mr. GRIGGS. Which makes you three-quarters of the difference between 40 and 13, protection—that is to say, the difference between 40 and 13 is 27, and that is the difference in number?

Mr. SMITH. Yes.

Mr. GRIGGS. And you have, then, three-fourths of 27 cents on your No. 40?

Mr. SMITH. Yes.

Mr. GRIGGS. In addition to the 13 cents?

Mr. SMITH. Yes.

Mr. GRIGGS. Which is assessed on the 5 lea?

Mr. SMITH. Yes.

Mr. GRIGGS. Three-fourths of 27 is 21. Twenty-one and 13 make 34 cents per pound you have, protection, already. When you go up as high as 40, then on your No. 39 it is three-fourths of a cent lower, and on your No. 38 it is three-fourths of a cent below that?

Mr. SMITH. Yes.

Mr. GRIGGS. Do you not think that that is a pretty fair protection?

Mr. SMITH. We are not asking for any more.

Mr. GRIGGS. But is it not pretty high as it is?

Mr. SMITH. The average rate of duty on all numbers from 5 to 400—there are importations as high as 400—the average of the schedule for the past nine years, was 45.45. The numbers which are principally used for thread in this country, where the competition comes, are fourteens, sixteens, eighteens, and twenty-fives, and the average on those was only 38.64 per cent. The duty on our raw material is fully 10 per cent.

The CHAIRMAN. What is your raw material?

Mr. SMITH. Flax. The percentage on the raw flax is something over 10.

The CHAIRMAN. Hackled flax?

Mr. SMITH. Raw flax; flax not hackled or dressed, including tow. That is from the government statistics.

Mr. GRIGGS. That is 10 per cent?

Mr. SMITH. Practically 10 per cent. From 65 to 75 per cent of the finished product is raw material. That makes about 7 per cent which must be deducted from this to get the net protection.

Mr. GRIGGS. You mean by that you deduct three-quarters of 10 per cent?

Mr. SMITH. Three-quarters of 10 per cent—

Mr. GRIGGS. Is your net protection?

Mr. SMITH. No, sir.

Mr. GRIGGS. Three-quarters of 10 per cent is to be deducted from your gross protection which you receive?

Mr. SMITH. Yes, sir.

Mr. GRIGGS. In order to make your net protection?

Mr. SMITH. Yes; leaving the net protection about 31 per cent.

Mr. GRIGGS. Now, which of these numbers are the most largely used?

Mr. SMITH. Fourteens, sixteens, eighteens, twenties, and twenty-fives; these numbers that I read.

Mr. GRIGGS. What is the cost per pound of your raw material, of your basic material?

Mr. SMITH. Well, there is quite a large range on the price of flax.

Mr. GRIGGS. I know, but what is the average cost?

Mr. SMITH. It would average, the raw flax, about 14 to 15 cents.

Mr. GRIGGS. Then you would get from 100 to 150 per cent protection on that class of threads most largely used?

Mr. SMITH. No, sir; we get only 30 per cent.

Mr. GRIGGS. You have got 13 cents on five lea, and you add three-fourths of a cent for each lea.

Mr. SMITH. On 13 cents.

Mr. GRIGGS. Thirteen cents a pound?

Mr. SMITH. Yes.

Mr. GRIGGS. You say it costs 14 to 17 cents?

Mr. SMITH. There are a great many processes which that flax has to go through before it comes into thread.

Mr. GRIGGS. I understand that, but I am talking about your protection. On the thread you get a protection of 13 cents on 5 lea?

Mr. SMITH. Yes.

Mr. GRIGGS. And you increase that by three-quarters of a cent on each number you go above that?

Mr. SMITH. Yes.

Mr. GRIGGS. And the numbers most largely used are fourteens, sixteens, eighteens, twenties, and twenty-fives?

Mr. SMITH. Yes. On fourteens it is 19 $\frac{3}{4}$ cents.

Mr. GRIGGS. That is the duty on 14 lea?

Mr. SMITH. Yes; which is equivalent to an ad valorem duty of 35.76.

Mr. GRIGGS. The flax costs you 14 cents?

Mr. SMITH. That is approximate.

Mr. GRIGGS. That is your basic material?

Mr. SMITH. Approximately; yes, sir.

Mr. GRIGGS. And you estimate, then, that the protection you get of 19 $\frac{3}{4}$ cents on what you pay 14 cents for is only 38 per cent?

Mr. SMITH. No, sir; on the basis of the importations of No. 14 at 19 $\frac{3}{4}$ cents per pound duty on the importing value the average is 35.76 per cent.

Mr. GRIGGS. I do not see how you calculate it. I will be very much obliged to you if you will make your calculation for me. I want the information about it.

Mr. SMITH. The importation on the average for nine years, from 1899 to 1907, of 14-lea yarn—

Mr. GRIGGS. Let us make a simple calculation. It costs 14 cents a pound—your basic material?

Mr. SMITH. Yes.

Mr. GRIGGS. And you get, on your No. 14, 19 cents protection?

Mr. SMITH. Yes.

Mr. GRIGGS. Now, you pay 14 cents for your basic material?

Mr. SMITH. Yes.

Mr. GRIGGS. And your protection is 5 cents above that 14 cents?

Mr. SMITH. Yes.

Mr. GRIGGS. Which you pay for it. Then you get back by way of protection not only what you paid out, but you get 5 cents additional protection. How do you make that 38 per cent? I just want to know how you calculate it.

Mr. SMITH. The 38 per cent is on the importing value of the threads, the foreign cost of the threads, taken from the government statistics.

Mr. GRIGGS. Well?

Mr. SMITH. The flax that I pay 14 cents for has to be hackled, in the first place, which makes a loss of a considerable amount.

Mr. GRIGGS. I am not taking that into the calculation at all, although it may have something to do with your business, as I understand it. In this question, on what you pay 14 cents for and manufacture into the finished product, you get a protection of 19 cents; is not that true?

Mr. SMITH. Yes, sir.

Mr. GRIGGS. That is all I wanted to know. I can not make that 38 per cent.

The CHAIRMAN. If Mr. Griggs is through, I want to ask you a question.

Mr. GRIGGS. I am through.

The CHAIRMAN. I do not understand what your raw material is; is it flax hackled, known as "dressed line?"

Mr. SMITH. No, sir; it is flax not hackled or dressed.

The CHAIRMAN. That pays a duty of \$22 a ton?

Mr. SMITH. \$22.40 a ton.

The CHAIRMAN. Or a cent a pound?

Mr. SMITH. A cent a pound.

The CHAIRMAN. And how much waste is there in making that into yarn?

Mr. SMITH. Taking 100 pounds of flax, in hackling there is about 5 per cent of waste. That would leave 95 pounds. Then there is about 40 to 50 pounds of that which is made into tow of a lower value, at about 8 cents a pound. Then the remainder is spun. With a loss in every process, it is prepared and spun—with waste in every process—until it is ready for bleaching, which takes another 20 per cent out of it.

The CHAIRMAN. Out of the 100 pounds how many pounds of yarn do you finally get of thread?

Mr. SMITH. I could not give you the per cent. I can estimate it. It would not be over 40 per cent—40 pounds.

The CHAIRMAN. I wish you would prepare those figures and let us know what this raw material costs and how much is lost in each process and how much is sold for other goods at 8 cents a pound,

just the price and the quantity, taking 100 pounds of flax as the original amount.

Mr. SMITH. Very well.

The CHAIRMAN. Now, where is the first bracket, the number of leas where you commence to increase this duty?

Mr. SMITH. Over the old schedule?

The CHAIRMAN. Yes.

Mr. SMITH. We are not increasing it over the old schedule.

The CHAIRMAN. Not anywhere?

Mr. SMITH. Not on the thread schedule. We are on the yarn. On paragraph 331 we ask for the duty to be increased from 40 to 45 per cent on yarn finer than 8 lea, but not finer than 80 lea, single yarns in the gray.

Mr. RANDELL. You want to change it from 40 to what?

Mr. SMITH. From 40 to 45 per cent. We are not able to make yarns in that class and compete against the foreign yarns.

The CHAIRMAN. You make the yarns, do you?

Mr. SMITH. Yes.

The CHAIRMAN. I do not see any yarn schedule here. There is thread made from yarn.

Mr. SMITH. It is paragraph 331.

The CHAIRMAN. I mean in the importations; I do not see it.

Mr. SMITH. In the statistics of importations?

The CHAIRMAN. Yes.

Mr. SMITH. On the importations of yarn, flax, hemp, or ramie, single yarns in gray, not finer than 8 lea, the duty, the equivalent duty, amounted to 57.98 per cent. We recommend that that be reduced to 6 cents a pound, which will make the duty 49.72 per cent. On finer than 8 lea, and not finer than 80 lea, the average importation was 538,000 pounds at 40 per cent, and we ask that that be increased to 45 per cent.

The CHAIRMAN. What is the importation on that?

Mr. SMITH. 538,176 pounds per year, on the average, for nine years.

The CHAIRMAN. Have you any idea what the consumption was; how much was manufactured in this country?

Mr. SMITH. I should say that this represented more than was made here. There was more imported on that schedule than was made here.

The CHAIRMAN. I do not seem to have the yarns here in this book where I have the importations of all the various years; at least I can not find it. But under the threads, the importation on any number is exceedingly small. I do not know what it is on the yarns when you take it through a series of years. We will get that, if we have not got it. Are there any further questions?

Mr. GRIGGS. On the line you were speaking about just now, on the line of waste, does not the foreigner experience the same degree of waste at every stage of the manufacture of this fiber that you do?

Mr. SMITH. Yes, sir.

Mr. GRIGGS. Then you do not need any protection on that account, do you, on account of the waste?

Mr. SMITH. No, sir; but we do require protection on the other basis.

Mr. GRIGGS. Oh, I understand your position on that; but you spoke of waste as an element in the cost.

Mr. SMITH. I was trying to explain why there was so much difference on the 14-cent raw material and the difference on the importing cost.

Mr. GRIGGS. That is all.

Mr. COCKRAN. Under paragraph 330, do I understand that there have been no exportations from this country?

Mr. SMITH. No exportations of any moment.

Mr. COCKRAN. Under paragraph 330, threads, twines, or cord?

Mr. SMITH. No exportations of any moment that I am aware of.

Mr. COCKRAN. I do not know how accurate these figures are, but I find here a statement of the value of exportations, \$5,584,000.

Mr. DALZELL. That is twines.

Mr. COCKRAN. Oh, twine?

Mr. SMITH. Yes, sir; that would be binder twines and some coarse twines. It would not cover threads.

Mr. COCKRAN. There is no exportation at all?

Mr. SMITH. No, sir.

Mr. COCKRAN. The importations of threads, twines, and cord were 553,000. Of those importations of threads, twines, and cords, how many come in competition with your product, if any?

Mr. SMITH. The fourteens, sixteens, eighteens, twenties, and twenty-fives principally come in competition with ours.

Mr. COCKRAN. How many of them come in of that particular kind of twines?

Mr. SMITH. The importation of fourteens amounted to 24,000 pounds on the average for nine years.

Mr. COCKRAN. What was the value of that 24,000 pounds?

Mr. SMITH. The value of that was \$13,000.

Mr. COCKRAN. And what else?

Mr. SMITH. On sixteens it was 31,000 pounds, a valuation of \$16,497; on eighteens it was 54,000 pounds, with a valuation of \$33,000; and on twenty-fives it was 31,000 pounds, with a valuation of \$21,000. On thirties it was 40,000, with a valuation of \$26,000.

Mr. COCKRAN. That would be, altogether, then, about \$200,000, the total importations.

Mr. SMITH. Yes, sir; about.

Mr. COCKRAN. What is the value of your product, your annual product—I mean the value of the product of all the persons concerned in the same trade?

Mr. SMITH. I should say probably \$2,500,000.

Mr. COCKRAN. About \$2,500,000; so that it is considerably less than 10 per cent?

Mr. SMITH. I should say so; yes.

Mr. COCKRAN. You are pretty well protected. You have got pretty good control of your market, have you not?

Mr. SMITH. Yes, sir.

Mr. COCKRAN. Do you not think you could keep pretty good control with less duty?

Mr. SMITH. I hardly think we could stand much less and keep our wages up where they are, considering the difference in the cost of wages here and abroad, and the difference in expenses.

Mr. COCKRAN. How many concerns are there producing this thread, besides yourselves?

Mr. SMITH. In this country?

Mr. COCKRAN. Yes.

Mr. SMITH. Five or six or seven, I should say.

Mr. COCKRAN. Altogether?

Mr. SMITH. Yes.

Mr. COCKRAN. And what proportion of it do you produce?

Mr. SMITH. We probably produce about one-sixth.

Mr. COCKRAN. So that the six producers, or seven, are about equal; their product is of about equal volume?

Mr. SMITH. I think some of the others produce a little more than ourselves and some less.

Mr. COCKRAN. You do not represent any other concern except your own?

Mr. SMITH. Yes; I represent all these concerns.

Mr. COCKRAN. These gentlemen have absolute control of the 90 per cent of the market under existing rates?

Mr. SMITH. Yes.

The CHAIRMAN. I have found these statistics now. Single yarn in the gray, not finer than 5 lea or number, 7 cents per pound. How much do you propose to make it?

Mr. SMITH. Six cents.

The CHAIRMAN. That is a decrease?

Mr. SMITH. Yes.

The CHAIRMAN. I find there were 761,000 pounds imported in 1898 and 111,000 pounds in 1907. The next bracket is finer than 8 lea and not finer than 80 lea or number. That you propose to make 45 per cent?

Mr. SMITH. Yes.

The CHAIRMAN. It is now 40 per cent.

Mr. SMITH. Yes, sir.

The CHAIRMAN. You did not make a mistake, and you do not mean 35 instead of 45?

Mr. SMITH. No, sir; 45.

The CHAIRMAN. I find the importations on that in 1898 and 1899 were 1,025,000 pounds; in 1906, 446,000 pounds; in 1905, 338,000 pounds; in 1904, 357,000 pounds; in 1903, 283,000 pounds; and in 1907, 776,000 pounds. You think that justifies an increase of 5 per cent?

Mr. SMITH. Yes, sir.

Mr. COCKRAN. What page are you on?

The CHAIRMAN. Page 318. Now, take the next bracket, single yarns finer than 80 lea or number. What do you propose to do with that?

Mr. SMITH. Leave that as it is. That is a purely revenue duty.

The CHAIRMAN. There is no importation in that, anyway. All the others at the rate of 45 per cent under the present law, what do you do with them?

Mr. SMITH. We leave that the same.

The CHAIRMAN. There is more importation in that for the last year. There is 704,000 pounds of that for last year. That shows a slight increase, and that is the only one that does, apparently, practically show any increase. What do you propose on that?

Mr. SMITH. We propose to leave that the same.

Mr. RANDELL. Do you run full time in the manufacture of your product? Do the manufacturers run full time or only a part of the time?

Mr. SMITH. At present?

Mr. RANDELL. Yes; generally.

Mr. SMITH. Generally we run full time. This last year has been a very bad year.

Mr. RANDELL. That is, when?

Mr. SMITH. Since last December; I do not think any of the mills have run full since last December.

Mr. RANDELL. About what proportion of the time do you run?

Mr. SMITH. At the present time?

Mr. RANDELL. Yes.

Mr. SMITH. We are running full in our flax department and running about half the machinery in our tow department.

Mr. RANDELL. That is all I want to ask you.

Mr. BOUTELL. Do you make any recommendations in regard to raw flax?

Mr. SMITH. Yes; we recommend that the duties on the raw flax, tow, and hemp be left as they are.

The CHAIRMAN. They are a cent a pound now?

Mr. SMITH. A cent a pound on flax and \$20 a ton on tow.

The CHAIRMAN. What do you propose to make them?

Mr. SMITH. We propose to leave them the same.

Mr. BOUTELL. Have you looked at all into the reason why the cultivation of flax has made so little progress in this country?

Mr. SMITH. Yes.

Mr. BOUTELL. What is the reason? It has had protection.

Mr. SMITH. The reason is that the relative profit in growing other crops is greater.

Mr. BOUTELL. The same reason that Mr. McMillan, of New Orleans, gave for not cultivating jute? Did you hear him this morning?

Mr. SMITH. Yes; I heard him. No; this could not be called such a cheap product as jute.

Mr. BOUTELL. But he gave that as a reason—that it was more profitable to cultivate other things.

Mr. SMITH. There is a difficulty in regard to labor in cultivating flax. There is a little raised in Michigan, Yale and Fargo, and those places.

Mr. BOUTELL. It puzzles the ordinary man to know why, with our climate and soil, we can not raise flax.

The CHAIRMAN. We can not get the hands.

Mr. BOUTELL. I know; but we do not raise it for the finer grades of thread or weaving.

Mr. SMITH. It is raised for seed, mostly.

Mr. BOUTELL. Has the curing anything to do with it?

Mr. SMITH. The labor in the curing?

Mr. BOUTELL. Yes; that discourages American labor from going into it?

Mr. SMITH. Yes.

Mr. BOUTELL. But nothing to do with either the climate or the soil?

Mr. SMITH. I think the climate is not so well adapted.

Mr. BOUTELL. Is any domestic flax used in making thread?

Mr. SMITH. We are not using any.

Mr. BOUTELL. Do you know in the industry whether any American flax is used?

Mr. SMITH. There may be a little from Michigan.

Mr. BOUTELL. Where is that used?

Mr. SMITH. I have used some of it myself, and some of the other mills have used it. How much there is this year I could not tell; very little, I should judge.

Mr. BOUTELL. When you get it, is it of good quality for thread making?

Mr. SMITH. It is about the same as that which comes from Canada. In fact it was started there by a Canadian.

Mr. BOUTELL. How does it compare with the European flax?

Mr. SMITH. It is about the same as Russian flax.

Mr. UNDERWOOD. Where do you get your best flax?

Mr. SMITH. In Belgium.

Mr. UNDERWOOD. Does the American flax compare favorably with the Belgium flax?

Mr. SMITH. No, sir; it only compares with the cheapest foreign flax.

Mr. UNDERWOOD. As a matter of fact, it is a better business proposition for your mills to mill the better grades of flax, is it not, than to use the poorer grades?

Mr. SMITH. Yes, sir.

Mr. UNDERWOOD. I do not want to come back and ask you another question, but when you were asked whether you wanted to put the raw material on the free list you said you did not. Under those circumstances, when the American product is infinitesimal and its production in this country has not been successful, I do not understand your answer as to why you should not want the raw material on the free list, so that you could get it cheaper and you could hand down your product to the consumer cheaper, relatively.

Mr. SMITH. Well, we have always hoped that flax might be grown here. There is a considerable industry in Kentucky hemp, which competes in a way with our product.

Mr. UNDERWOOD. How long has the attempt been made in this country to grow flax?

Mr. SMITH. It has been grown off and on in a tentative sort of a way for twenty years, I suppose.

Mr. UNDERWOOD. It has had a protection of a cent a pound for twenty years?

Mr. SMITH. No, sir; it was free under the Wilson bill.

Mr. UNDERWOOD. It has had this protection of a cent a pound for how long?

Mr. SMITH. Ten years.

Mr. UNDERWOOD. Ten or fourteen years?

Mr. SMITH. Ten or eleven years.

Mr. UNDERWOOD. Twelve years. For twelve years it has had a protection of a cent a pound, and it has not developed the industry at all?

Mr. SMITH. No, sir; it has not.

Mr. UNDERWOOD. Under those circumstances do you not think it would be advisable for flax to be put on the free list, both to aid the

home manufacturer and to reduce the cost to that extent to the consumer here?

Mr. SMITH. As I said before, there is quite an industry in Kentucky and Nebraska in hemp, which competes directly with the flax.

Mr. UNDERWOOD. It is used in the same goods?

Mr. SMITH. Not in the finer goods, but in the coarser goods.

Mr. UNDERWOOD. Well, you are interested in the home production, and for that reason you want the duty maintained on the flax; is that it?

Mr. SMITH. Yes, sir.

Mr. UNDERWOOD. But on the flax alone, if you were solely looking at that proposition, you would have no desire to have the duty retained?

Mr. SMITH. No, sir.

The CHAIRMAN. Why should it be maintained? That is what I am trying to get at. I do not care so much for your desire as I care to know the reason why.

Mr. UNDERWOOD. He said he was interested in the home industry and wanted a duty on the raw flax to protect him against the foreign industry.

Mr. SMITH. Do not mistake me; I am not personally interested.

The CHAIRMAN. Are you afraid that flax would take the place of hemp if there was no protection or duty on it? Is that the idea?

Mr. SMITH. It might, to a certain extent; yes, sir.

The CHAIRMAN. This committee is trying to investigate that subject, as to why there should be that duty of 1 cent a pound on flax, and if you can throw any light on it now we would be obliged to you.

Mr. BOUTELL. It seems to be an industry that was given protection, but that has not gotten beyond the very earliest infant stage.

Mr. SMITH. I can not say that we have gone very far with it.

Mr. BOUTELL. It certainly is a puzzle to an ordinary man to know why in this country, with its climate and soil, we can not grow all kinds of flax with profit.

Mr. UNDERWOOD. Let me ask you a question. If the duty were taken off of raw flax, how much would that authorize a reduction of the duty on your finished product and leave you in the same position you are in to-day?

Mr. SMITH. From 7 to 8 per cent. Not 7 to 8 per cent of the duty, but 7 or 8 points of the percentage.

Mr. GRIGGS. Counting your highest duty at 38 per cent?

Mr. SMITH. Taking the average of the cost of the raw material—the importations.

Mr. GRIGGS. I say, counting it at 38 per cent, you think you could knock off 7 or 8 points?

Mr. SMITH. Yes, sir.

Mr. GRIGGS. And make it 30 per cent?

Mr. SMITH. Yes, sir.

Mr. GRIGGS. What do you make out of these threads?

Mr. SMITH. They are used for sewing shoes.

Mr. GRIGGS. Entirely?

Mr. SMITH. They are used for some other purposes, but very few. They are mostly shoe threads.

**VARIOUS FLAX, HEMP, AND JUTE SPINNERS FILE STATEMENT
RELATIVE TO JUTE AND FLAX YARNS AND LINENS.**

YALE, MICH., *December 22, 1908.*

HON. SERENO E. PAYNE,
*Chairman Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: I desire to call attention to the statement made by the linen thread combine, and a few other thread mills, with some cordage mills, as to what should be done in revising the tariff upon flax, hemp, and linen. The statement that that is in any manner the "unanimous view" of those interested in the spinning and weaving of flax and hemp is entirely erroneous. The statement and recommendations there made may represent the views of the few thread mills and that of the cordage mills, but they have no right to claim to speak for the manufacturers of linen.

The remark in that statement, "representing all flax, hemp, and jute spinners interested in Schedule J," conveys an entirely erroneous impression. The names affixed to that statement represent none but themselves. Eight of those names are from mills which make up the Linen Thread Company, and needs to have but one name affixed to them. Four others spin flax for threads and twines. The other 12 mills are cordage mills and entirely outside any consideration upon the subject of a linen industry. Not one of them is using flax. The recommendations of that list of mills are those for their especial advantage. They ask for a higher duty upon jute yarns, because the million and a half pounds imported "could have been made in this country had there been sufficient protection." This statement asks that the duty upon coarse linen yarns be reduced, as if the immense amounts now imported could not as well be made here. The recommendation that the duty upon medium flax yarns be advanced is a step in the right direction, but why leave the duty upon fine flax yarns at but 15 per cent, while all fine linen products are luxuries which can and should be made here?

Upon behalf of the flax growers, who need the markets for the flax which they now, and are prepared to produce, and also the spinners of flax for yarns for weaving into linens, also those engaged in weaving linens, the names of which mills are here given, I respectfully ask that the duties upon all linen manufactures be advanced to an equality with that upon woolen goods. As, with woolen manufactures, the raw material has to have a duty to protect it from the competition of the low-priced labor of other countries, and the duty upon linen manufactures should be made to compare therewith. Linens are even more the luxuries of those able to pay well for them, while it is the inalienable right of the people to demand the employment in the production of these luxuries.

Spinners of flax yarns: American Linen Company, New Haven, Conn.; Courtrai Manufacturing Company, Philadelphia, Pa.; Reeves Spinning Company, Woonsocket, R. I. Linen weavers and spinners: United States Linen Company, Millbury, Mass.; Stevens Linen Works, Webster, Mass.; Dundee Mills, Hookset, N. H.; Atlas Linen Company, Meredith, N. H.; Granite Linen Company, Wortendyke, N. J.; Eau Claire Linen Mill Company, Eau Claire, Wis.

Respectfully submitted.

SIDNEY SMITH BOYCE.

GEORGE F. SMITH, ANDOVER, MASS., MAKES SUPPLEMENTAL STATEMENT RELATIVE TO FLAX YARNS.

ANDOVER, MASS., *January 4, 1909.*

HON. SERENO E. PAYNE,

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

DEAR SIR: I am in receipt of a marked copy of tariff hearings, and have read the statement made by Mr. Sidney Smith Boyce, of Crosswell, Mich. This statement makes the charge that my statement made before your committee on November 30, 1908, in behalf of flax, hemp, and jute spinners was not a representative one.

I did not state that these views represented the interests of the weavers of flax, although Mr. Stevens, of the Stevens Linen Works, was present at the meeting of these manufacturers and concurred in all of the recommendations in so far as they related to the duty on the raw material and on the yarn. The Stevens Linen Works are the only mills in this country that are making real linens to any extent. The other mills mentioned by Mr. Boyce are either making unions—that is, cotton warp and linen filling, or so-called “linens” from waste.

I would still maintain that my statement represented all those spinners using flax, hemp, and jute for spinning yarn on a commercial basis. I did not intend to speak for the weavers nor for those spinning waste yarns.

I take exception to the remark that an immense quantity of coarse flax yarns is being imported. The statistics show this not to be the case.

The duty of 15 per cent on fine flax yarns was put on in the Dingley bill in order to stimulate, if possible, the weaving of fine linens in this country by allowing the weaver to purchase his yarns abroad on a revenue basis of duty.

It was admitted by all practical spinners that in order to produce in this country yarns finer than 80 lea a very much higher protection would be necessary than is given on the coarser yarns. This would have necessitated a much higher rate of duty on the woven fabrics and would necessarily have raised the price of all linens to the consumer.

Yours, very truly,

GEO. F. SMITH,
SMITH & DOVE MANUFACTURING CO.

RAW FLAX.

[Paragraph 324.]

SIDNEY S. BOYCE, YALE, MICH., URGES NECESSITY OF THE CONTINUED PROTECTION OF THE FLAX INDUSTRY.

YALE, MICH., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: It has just come to my notice that the Linen Thread Company, of New York, the stock of which is very largely owned in Great Britain, is proposing to ask for the removal of the duties

upon "scutched" or raw flax. This is to be asked upon the plea that there is no flax grown in this country. This, with the fact that the examiners at the custom-houses do not know the difference between "scutched" and "hackled" or "dressed" and "undressed" flax, will cause all flax to come in free. It is a very well-known fact that a very large part of the "hackled" flax now imported comes in as "scutched" flax, thus saving 2 cents per pound in the duty.

Flax culture has just become thoroughly established in this country. Over six thousand tons were grown in the State of Michigan alone of fiber last year. This flax was equally fine and spinnable with any grown in Europe. To fully determine the matter of growing flax the late Senator McMillan had some tons of Michigan flax sent to Ireland and spun and woven into fine linens, where the flax was pronounced equal to flax grown upon the continent of Europe.

Every State in the Union can grow flax if there is a demand for it. The millions of tons of flax annually burned in the Northwest would be changed to the production of flax for the fiber as well as for the seed, were there fine linen mills to consume it.

Contrary to what the policy of levying duties should be, the duty upon coarse linens is higher than upon fine linens. Coarse linens are consumed by the poor people, while fine linens are one of the textile luxuries of those able to pay for them. The amount of labor is more than double in the making of fine linens. The duties should be equal with those upon other fine textiles.

The cost of producing flax is very much greater in the United States than in Europe, where wages of men are but 35 cents a day, against \$1.50 to \$2 here. There are nine large mills at Dunfermline, Scotland, weaving linens from yarns imported from the continent of Europe, 60 per cent of which are shipped directly to the United States. The wages of the women weavers are from \$3 per week up.

The amount of flax grown in the United States for fiber is doubling each five years, and were there mills to consume it the culture would more than double each year.

There is a necessity for mills making fine linens. A few mills now make threads and twines, some two or three spin and weave coarse crashes, while over one hundred establishments use imported yarns in various ways, mostly as coarse union crashes.

The flax, hemp, and linen industry is uneven in character and condition. Every variety of character of fiber should be consumed. The cost is too great to allow of its export. In growing flax in all countries, there is of necessity different character of soils; some seasons are cold and wet, others hot and dry, there are imperfectly prepared fibers, some coarse, others fine, but each adapted to the production of the different kinds of goods. The coarse and fine machinery should be here. This is an industry which the people have the same right to engage in as the producers of woolens, cottons, or any other textiles. A diversity of production, the presence of a linen industry giving employment to labor, to the farmer, to the growers of farm and garden produce, to the machinists, and to transportation at home, instead of employing foreign nations to make the almost one hundred millions of goods for us.

There are seven flax mills with capital of \$7,000 to \$10,000, and farmers with over 50,000 acres engaged in growing flax in this State alone.

Very truly,

SIDNEY SMITH BOYCE.

OWEN HUGHES, OF PATTERSON, N. J., ADVOCATES REMOVAL OF DUTY FROM CERTAIN KINDS OF RAW FLAX.

MONDAY, *November 30, 1908.*

Mr. HUGHES. Mr. Chairman and gentlemen of the committee, I came down here from Paterson to-day to represent the flax dressers of Paterson, commonly known as "hacklers." These men have sent me down here to-day to beg of you men to take the 1 cent off of the raw material that comes into this country—that is, the French, Belgian, Holland, and Irish flax that do not come in conflict with the American grower. The Russian flax—that is, the Baltic flax—the Riga and Coutrai, do come into competition with the American grower.

The reason I ask you men for that to-day is that there is \$20 per ton on the raw material coming into this country. Now, by taking that off and putting that raw material on the free list, to my idea, it would enrich the manufacturer \$20 on the ton and enable him to give us a little more on the finished article. It would increase our business by taking that 1 cent off of the raw flax—that is, off of the French, Belgian, Holland, and Irish flax. The French flax is supposed to be the best flax in the market. It makes fine linens. The Irish flax makes the best of the tailor's thread. It is strong flax. But any of that sort of flax, such as the flax I have already named—the worst of it is better than the American flax. I hackled American flax in this country twenty-seven years ago—what you call "North River flax." It was pretty good flax. It was on an equal footing with the flax that grows in Russia; in fact, I have not seen a piece of American flax in about sixteen years. I do not know whether they have stopped growing flax in America or not, but I do not see any of it, and I have been hackling all the time.

The CHAIRMAN. Are there any questions?

Mr. UNDERWOOD. You do not think that the American flax industry—the growing of the raw flax—can be developed in this country, from your experience?

Mr. HUGHES. I do not think it can be developed, because there is a flax that grows in Canada there and that comes nearly on the same basis as the flax that grows in the United States. It comes nearly on the same basis, and they can not even grow the same flax in Holland that they can in France. Some people call this French flax "Belgian flax," but when I am working it I get the French flax written on my ticket. It is ticketed as French flax going away from me. That is all I know about it. This Belgian flax is a good flax, too. There are some qualities of it that are better than the Dutch. Some of the Dutch is poor flax, but any of it is better than what they can produce here.

Mr. UNDERWOOD. If we put this raw flax on the free list, do you think that would reduce the cost of the finished product to the American consumer to any extent?

Mr. HUGHES. Well, that I could not tell you. That all lays to the manufacturer, whether he will lower it or not. [Laughter.]

Mr. BOUTELL. That is about the size of it.

Mr. HUGHES. That is where the thing comes in.

Mr. UNDERWOOD. We had better cross-examine the manufacturers on that proposition, then, before we "give up the goods," had we not?

Mr. HUGHES. But you would think so—that it would, in a kind of a way, reduce it. [Laughter.]

Mr. BOUTELL. You think it ought to, do you not?

Mr. HUGHES. Well, certainly. [Laughter.]

Mr. COCKRAN. It would if the arithmetic of the custom-house were the same as the arithmetic of any other part of the world.

Mr. HUGHES. Yes.

Mr. FORDNEY. If the consumer got all of that you would not get any of it, then, in wages, would you?

Mr. HUGHES. Well, I get my wages. I get \$12.50 a week.

Mr. FORDNEY. Pardon me. A few minutes ago you said that if that \$20 a ton was removed the laborer had hopes of getting some of it from the manufacturer. I say, if it did go to the consumer, the labor that produced it would not get any of that benefit from the reduction?

Mr. HUGHES. Yes; but that would not keep it from going to the consumer—if you take the \$20 a ton off of the raw material—if it were manufactured in this country and sold to the consumer.

Mr. FORDNEY. But if the manufacturer and the laborer consume that, the consumer would not get any of it—the ultimate consumer.

Mr. HUGHES. Well, I don't know. I don't understand the question.

Mr. FORDNEY. I will withdraw it.

The CHAIRMAN. He does not understand what you are trying to get at.

Mr. HUGHES. No.

Mr. COCKRAN. Anything that reduces the cost of production is likely to stimulate a demand for the article, is it not?

Mr. HUGHES. Well, but then, you see, that is on the raw material, and the duty on the finished article, what is on it now, would hold up that.

Mr. COCKRAN. But to the extent that you have removed the duty on the raw material it would tend to cheapen the cost of production that you are engaged in and make it less expensive—to reduce it?

Mr. HUGHES. Well, it would throw, as I say, \$20 a ton—

Mr. COCKRAN. Off the goods?

Mr. HUGHES. From the things coming in.

Mr. COCKRAN. Would not that reduce the cost of production?

(There was no reply.)

The CHAIRMAN. Well, Mr. Hume will tell us all about that.

Mr. COCKRAN. Let us get an answer to that. Would it not?

Mr. HUGHES. What is that?

Mr. COCKRAN. What do you say?

Mr. HUGHES. I don't know what your question is.

Mr. COCKRAN. Well, I think I will let you go, and I will ask you the question after the hearing.

DRESSED FLAX.

[Paragraph 325.]

STATEMENT OF JOHN WILSON, OF NEWARK, N. J., REPRESENTING THE FLAX DRESSERS, WHO WANT AN INCREASE OF ONE CENT PER POUND ON DRESSED FLAX.

MONDAY, *November 30, 1908.*

Mr. WILSON. Mr. Chairman and gentlemen, we flax dressers respectfully solicit an advance of 1 cent a pound on dressed flax. Dressed flax has a present duty of 3 cents a pound. That rate, gentlemen, does not cover the difference in the higher cost of labor here, above that of Europe. We respectfully request to show, first, that the duty of 1 cent per pound on raw flax is not fairly understood. It takes $1\frac{1}{2}$ pounds of raw flax to produce 1 pound of dressed. Therefore the manufacturer dressing flax here pays 1 cent and 5 mills in duty for every pound of dressed flax produced for use in his factory.

From every pound of raw flax comes 40 per cent of tow. Tow is a by-product in many flax mills. It is only used in special mills in Europe for the spinning of coarse wefts. Its value here is one-third less than in Europe. Now, with every production of 3 pounds of dressed line flax there will be 1 pound of tow, and with tow valued at 6 cents in Europe its value here will be one-third less, or 4 cents. So if you write off one-third of 2 cents you have 7 mills that is lost by the American dresser in the lower value of his tow here. The cost of dressing 1 pound of flax at 70 pounds per day at \$12.60 a week is 3 cents. The duty on the raw flax to make 1 pound of dressed is 1 cent and 5 mills, and the total cost per pound to the American dresser is 5 cents and 2 mills.

The importers' table is as follows: The average wages here and in Europe are: Flax dressers' wages in the United States, \$12.60; flax dressers' wages in Great Britain, \$6.50—one-half what they are in the United States; flax dressers' average wage in France, 22 francs; in Belgium, 18 francs. The average wage in France and Belgium—and they are both connected there in the flax district which connects North France and Belgium—20 francs, in American money, \$4; less than a third of the wage in the United States. The average wage in Riga, Russia, per week is 7 rubles and 20 copecks. The ruble is 50 cents and the copeck is half a cent. In American money it is \$3.60.

Great Britain has the highest average in wages, Russia has the lowest, while Belgium and France can be taken as the average, yet less than one-third. So, as it costs 3 cents to dress 1 pound of flax in America, it will take less than one-third, or about 9 mills, to dress it in Belgium.

Then the importers' table of cost reads: Duty on dressed, for 1 pound, 3 cents; cost of dressing 1 pound, 9 mills. That is 3 cents and 9 mills total cost to the importer, against American labor of 5 cents and 2 mills.

It is that difference, gentlemen, of 1 cent and 3 mills that we ask you to equalize. Then our labor will be placed on something of a fairer footing to compete with the labor of Europe. If this small

moiety of protection be given us, no interest, we believe, will be hurt, nor will there be any addition to the price of flax goods to the consumer. And, of course, there will be an increase of employment in our trade.

Mr. DALZELL. What is the value of a ton of flax, dressed?

Mr. WILSON. You will have to ask a manufacturer, sir.

Mr. DALZELL. You do not know?

Mr. WILSON. I do not know, sir.

Mr. BOUTELL. Do they still use the same methods of hackling or dressing flax in this country that they use in Belgium and France?

Mr. WILSON. It is all dressed, first, in the rough, by machine, sir.

Mr. BOUTELL. I say, do they use—

Mr. WILSON. The same method?

Mr. BOUTELL. The same method here that they use in Belgium.

Mr. WILSON. Yes, sir. We have a Russian hackler working in the shop with us. What do you think of that? [Laughter.] It was from him—

Mr. BOUTELL. Is he an American citizen?

Mr. WILSON. I think he has been here two years.

Mr. BOUTELL. Well, I hope he will be.

Mr. WILSON. I hope he will be. But it only shows you how it comes in direct competition with our labor.

Mr. BOUTELL. What I wanted to get at was whether the old system of retting the flax that prevailed on the continent of Europe still prevails in this country?

Mr. WILSON. No, sir; they do not ret the flax in this country as they ret it in Europe. Only in Russia do they ret it the same as they ret it here. When I worked up in the north of New York, at Valley Falls there, there was an owner of a mill called Mr. Hartshorn. I think he is in the custom-house now. He used to give lectures to the farmers upon raising flax.

Mr. BOUTELL. Perhaps that is the reason the industry has not progressed any further than it has.

Mr. WILSON. Do you think so, sir? [Laughter.]

Mr. BOUTELL. I do not know.

Mr. WILSON. Well, I have attended his lectures there.

Mr. BOUTELL. What I was trying to get at was what it was that was holding back the flax industry in this country—whether it was something in the method of cultivation or something in the method of curing.

Mr. WILSON. There is a good deal in the curing, sir; but there is another thing to be taken into consideration. The climate of Belgium and of Ireland is foggier and moister than it is here. The fiber of the flax contains minute cells that hold the oil in them, and that oil evaporates too quickly in this country, with the severe sun. The oil is held in these cells in Belgium and Ireland because of the fog and moisture being in the air, preventing the sun from evaporating that oil. When they want to sow flax for seed they sow it thinly. They only put about a bushel and a half to the acre.

Mr. COCKRAN. Who are "they?"

Mr. WILSON. The farmers.

Mr. COCKRAN. Here, do you mean?

Mr. WILSON. I mean wherever they sow it. They adopt the same method in Ireland and Russia and Belgium. All of the farmers,

when they want to sow flax for seed, sow it thinly. When they want to sow it for the fiber, they sow it as thickly as they can put it. They do not permit the seed to ripen when they are sowing for fiber, because the seed would take all the oil from the fiber. They pull it before it is ripe when they want it for the fiber. When they want it for seed, it is sown thinly, and then it is permitted to ripen, and all the oil goes into the seed and the fiber is useless. It is as dry as a straw.

**STATEMENT OF JAMES HUME, OF ANDOVER, MASS., WHO WISHES
A PROHIBITIVE DUTY ON DRESSED FLAX.**

MONDAY, *November 30, 1908.*

The CHAIRMAN. Give your name in full, please.

Mr. HUME. James Hume.

The CHAIRMAN. Where do you live?

Mr. HUME. At Andover, Mass.

The CHAIRMAN. What is your business?

Mr. HUME. I am a flax dresser, sir.

The CHAIRMAN. Proceed.

Mr. HUME. We are here to-day, as has already been said, in behalf of the flax dressers and hacklers. There is a large importation of hackled flax that comes into this country which is detrimental to the labor here. If this importation of dressed flax was prohibited from coming in it would add considerably to the labor here. We have had an average for the last six years of 1,232 tons per year of "dressed line" coming in, and, as has already been stated by Mr. Wilson, the first speaker, the wage that is paid where this flax is dressed is less than half the wage paid in the United States; and as it leaves a margin of 1 cent and 2 mills to the importer we think, sir, that what has already been asked, 1 cent a pound on the finished article, will leave a margin of 2 mills for the importer still. Unless there is something done in this line, sir, we will be in just the same situation we have been in since 1889, and we will have on an average the same amount of "dressed line" imported into this country. We also ask that the cent a pound be kept on the raw material. Not that it interferes with us in anything, except that if the cent were taken off the raw material it would so hurt the revenue that there would be no possibility of getting the cent a pound on the finished article. Forty per cent of the tow comes in as raw material. This is the tow, sir, and this is the raw material [exhibiting samples]; this is the Belgian flax that the last speaker, Mr. Hughes, spoke about [exhibiting sample].

The CHAIRMAN. You say that is the raw material? What do you call it?

Mr. HUME. This is flax, sir. This [indicating] is French flax. This [indicating] is Belgian flax.

The CHAIRMAN. Not hackled or dressed?

Mr. HUME. Not hackled or dressed.

Mr. GRIGGS. You say that is from Belgium?

Mr. HUME. This is from Belgium [indicating]. This is what we call the Coutrai flax [exhibiting sample], produced on the borders of

France and Belgium. It is regarded as French flax. This is a dressed piece from Belgium [indicating], and this is a dressed piece from the French [indicating].

Mr. GRIGGS. The Belgian is the best, is it not?

Mr. HUME. No, sir; the French is the best. From this raw material comes the tow—about 40 per cent—so that that 40 per cent added to the raw material would nearly equalize what would come off for the “dressed line.” That is, for the revenue.

I have nothing more to say upon this subject than what has been said already. This is a small matter and can be easily understood. The principal thing is, sir, that we want this labor done in America. We came over here after we had served an apprenticeship of from four to five years on the other side. We came over here, and these industries have been built up under protection. We are here and our families are here. We have become citizens of the United States, and unless we can get some more duty upon this “dressed line” it will mean that we will have to drift from it altogether into the ranks of unskilled labor. There are many of our men who have already drifted into the unskilled-labor market simply because we can hardly hold our position here, as they can import the “dressed line” to the advantage of the employers here, and they are not particular whether they have us or not. If there is any little difference that happens they simply tell us they can bring the finished article in here cheaper than they can manufacture it; and we think that a cent a pound would be sufficient to meet this condition. Eleven years ago we asked that a cent a pound be put upon the raw material and that 4½ cents be put upon the finished article. That was debated, and it was compromised. Only 3 cents a pound were put on the dressed line, and if it had been 4 our position would have been different to-day from what it is now.

Mr. GRIGGS. Do you mind telling us what you want?

Mr. HUME. We want a cent a pound upon the finished article. That is, the “dressed line.”

Mr. GRIGGS. You do not want anything on the raw flax. You want the raw flax to come in free?

Mr. HUME. Well, it is immaterial to the hacklers or flax dressers whether it comes in free or not.

Mr. GRIGGS. In your statement you said that you had come from abroad, with your families. Where are you from?

Mr. HUME. From Ireland.

Mr. GRIGGS. What part of Ireland?

Mr. HUME. North of Ireland.

Mr. DALZELL. You want the present duty retained?

Mr. HUME. We want the present duty retained on the raw flax and a cent a pound put on the dressed.

Mr. BOUTELL. You want 1 cent a pound added to the present duty?

Mr. HUME. Yes; it is already 3 cents a pound, and we want it made 4.

Mr. GRIGGS. I understood you to say that you wanted the raw material to come in free.

Mr. HUME. One of the delegates has said so.

Mr. GRIGGS. I thought I understood you to say so in answer to a question put by me a moment ago.

Mr. BONYNGE. He said he did not care.

Mr. GRIGGS. Is that it?

Mr. HUME. It is immaterial to us whether it comes in free or not; but if we were to ask for the raw material to come in free we would also ask that the present duty remain on "dressed line"—that is, 3 cents a pound.

Mr. GRIGGS. Instead of increasing, then, the present duty on dressed flax you would just as soon have the duty abolished on the undressed—on the raw material—and leave it just as it is?

Mr. HUME. I would rather have the duty on the raw material as it is, and a cent a pound put upon the dressed line. That is my instruction from the men that I come from.

Mr. GRIGGS. But I wanted to know your opinion about it.

Mr. HUME. Well, my opinion about it, sir, is that if we came up here before you and asked to put the raw material on the free list and to retain the 3 cents a pound upon the dressed line it would so hurt the revenue that there would be no possibility of getting anything, because the revenue that has come already from the raw material is considerable. There were 6,081 tons in 1906 of raw material that came in at 1 cent a pound. That is considerable in revenue.

Mr. GRIGGS. One hundred and twenty thousand dollars, say.

Mr. HUME. And in 1907 there were 5,650 tons. So that if I were to ask you to take that revenue off it is not very likely that you would hear our demands or give us anything on the "dressed line."

The CHAIRMAN. You say you worked at this business before you came to this country?

Mr. HUME. Yes, sir; because part of my family is working here, and have better wages.

The CHAIRMAN. How long ago was that?

Mr. HUME. I have been at it thirty-five years.

The CHAIRMAN. Thirty-five years?

Mr. HUME. Yes, sir.

The CHAIRMAN. You know all about the conditions of the workingmen over there, I suppose?

Mr. HUME. I beg your pardon?

The CHAIRMAN. You know all about the conditions of the workingmen over there? You know how they live?

Mr. HUME. Yes.

The CHAIRMAN. And the wages they get?

Mr. HUME. Yes, sir.

The CHAIRMAN. Suppose we should leave this duty at 3 cents a pound, would you go back there to dress flax or would you stay here?

Mr. HUME. I would stay here, sir.

The CHAIRMAN. You think the conditions would be better to stay here, even at that?

Mr. HUME. Yes, sir.

Mr. COCKRAN. That dispels our worst apprehension.

Mr. FORDNEY. If you had still another cent protection added to the 3 cents you now have, you believe it would improve the conditions of the laboring man in this country?

Mr. HUME. I do, sir; because it would stop that large importation of "dressed line," which comes in year by year.

Mr. UNDERWOOD. I would like to ask you a question, Mr. Witness: You have hackled flax in the north of Ireland?

Mr. HUME. Yes, sir.

Mr. UNDERWOOD. What did you get per pound for hackling flax there?

Mr. HUME. It came to about 3 farthings a pound, or a cent and a half.

Mr. UNDERWOOD. A cent and a half in the north of Ireland?

Mr. HUME. Yes.

Mr. UNDERWOOD. What do you get for hackling flax here?

Mr. HUME. Well, I am taking the highest wage there in Ireland at that cent and a half. The highest wage we get here is 3 cents a pound.

Mr. UNDERWOOD. Give me the average wage.

Mr. HUME. We could not strike an average, because there is such a different quality of flax that we want to take the highest or the lowest per pound of the work here with the highest or lowest pound over there.

Mr. UNDERWOOD. You are informed on the comparison of the wage values between the old country and this country, are you not?

Mr. HUME. Yes, sir.

Mr. UNDERWOOD. You are putting it at a cent and a half in the old country thirty years ago when you hackled there, are you not?

Mr. HUME. No, sir; I have only been in this country a little over five years.

Mr. UNDERWOOD. I thought you said you had been here thirty years.

Mr. HUME. No; it has been thirty-five years since I went to hackling.

Mr. UNDERWOOD. You say there is as much as a cent and a half difference between the average cost of hackling flax in the north of Ireland and in this country?

Mr. HUME. Yes, sir.

Mr. FORDNEY. Is the labor of the north of Ireland equal to the same class of labor in this country?

Mr. HUME. It is just the same. We import all the labor, or at least they come here as emigrants. Ninety-five per cent of them are emigrants from the old country.

Mr. FORDNEY. Much has been said here about the efficiency of labor in this country as compared with foreign labor. You worked just as hard and did just as much work in Ireland before you came here as you do now, did you not?

Mr. HUME. Yes; just the same.

Mr. FORDNEY. And you think you were worth just as much money then as you are now, at the same class of labor?

The CHAIRMAN. You mean his work was worth as much, do you not?

Mr. FORDNEY. Yes.

The CHAIRMAN. You spoke as if you were referring to his fortune.

Mr. HUME. The purchasing power of the money was greater there than it is here though. [Laughter.]

Mr. FORDNEY. But I was speaking of your labor.

Mr. HUME. Yes, sir; the same kind of labor.

Mr. FORDNEY. The labor you gave there and the labor you give here, in the same class of work, are quite equal, are they not?

Mr. HUME. They are just the same, sir.

Mr. GRIGGS. How much farther did your cent and a half a pound go over there than your 3 cents go here?

Mr. HUME. I beg your pardon. I do not understand you.

Mr. GRIGGS. How much more would your cent and a half purchase there than your 3 cents purchase here?

Mr. HUME. Well, taking everything into consideration, about equal.

Mr. GRIGGS. I will not let that question stand in that way.

Mr. HUME. That is, when you take house rent and everything into consideration.

Mr. GRIGGS. You mean that the purchasing power of your money was worth 100 per cent more there than here?

Mr. HUME. Yes.

Mr. GRIGGS. Then the cent and a half was about equal to the 3 cents here?

Mr. HUME. Yes, sir.

Mr. BONYNGE. Did you live just as well there as you live here?

Mr. HUME. Well, not quite so well.

Mr. BONYNGE. Did you have as good a house there as you have here?

Mr. HUME. Well, I could get as good a house there as I could here. Now, for instance, I could get as good a house in Belfast for a dollar a week as I could get in this country for \$3 a week.

Mr. BONYNGE. And how about the food?

Mr. HUME. Well, we got the food cheaper, too.

Mr. BONYNGE. Could you get food there as good and in as great variety?

Mr. HUME. Not just as great a variety, but we got it as good, anyhow, and better.

Mr. BONYNGE. It was just as good, such as you had, but not such a variety?

Mr. HUME. Not such a variety.

Mr. BONYNGE. And notwithstanding all that, you would not go back there? You would prefer to stay here, would you not?

Mr. HUME. I would prefer to stay here.

Mr. GRIGGS. You kept as fat there as you do here, did you not?

Mr. HUME. Well, I can not say much about that. That is one thing that I could never boast of—being fat. [Laughter.]

The CHAIRMAN. That is all, I think.

Mr. GRIGGS. I would like to ask one more question. You said, in reply to Mr. Fordney, that you did as much work in Ireland and Belfast as you do here. That does not mean that you know whether American labor is more efficient than labor in Belfast; or not, does it?

Mr. HUME. Well, it means that the laborer is required to put the same labor into the material here as on the other side. The same labor is put into it.

TOW OF FLAX.

[Paragraph 326.]

HON. JOHN J. ESCH, M. C., SUBMITS A BRIEF IN ADVOCACY OF
REMOVAL OF DUTY FROM TOW OF FLAX.

WASHINGTON, *December 21, 1908.*

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

MY DEAR SIR: In lieu of a hearing I herewith submit some data gathered by me with reference to the present tariff on tow of flax of \$20 per ton (item 326, Schedule J, flax, hemp, and jute, and manufactures of, act approved July 24, 1897).

I also wish to submit a letter of Hon. O. H. Ingram, of Eau Claire, Wis., president of the Eau Claire Linen Company, of Eau Claire, Wis., urging the repeal of the above tariff.

I herewith inclose the letter of Hon. O. P. Austin, Chief Bureau of Statistics, Department of Commerce and Labor, showing the values of the production of dressed flax for decennial periods beginning with 1880. From data furnished me by Mr. Austin I have drawn up a schedule showing the value and amount of importations of flax tow for the years 1903-1908, inclusive. This schedule also gives the amounts of duties derived from importations of flax tow for these several years, and also the average per unit of quantity, and the ad valorem rate of duty. I also submit a schedule of unmanufactured flax imported on the dutiable list.

I know of my own knowledge of some of the efforts which have been made by the officers of the Eau Claire Linen Company to use home-grown flax straw to provide the raw material for their mill. I know that, notwithstanding the expenditure of thousands of dollars and the construction of a tow mill for the making of tow out of the home-grown flax, all their efforts have proved unsuccessful, and to meet competition they had to purchase tow imported from Russia, the result being that the imposition of the duty of 1 cent a pound has rendered it difficult, and at times seemingly impossible, for the industry to survive, and this, too, notwithstanding the mill is operated by water power.

As, according to the statement of the Bureau of Manufactures, over 25,000,000 bushels of flaxseed are annually produced in the United States, there must be an enormous production of flax straw, and with very little use made thereof, showing that the process of retting is too expensive to produce the home-grown raw material for the manufacture of linen and crashes.

I submit the within data for the careful consideration of your committee.

Yours, very truly,

JOHN J. ESCH.

EXHIBIT A.

EAU CLAIRE, WIS., *December 10, 1908.*HON. JOHN J. ESCH, *Washington, D. C.*

MY DEAR MR. ESCH: I presume you knew before you were elected to Congress, if not, I presume you have, before commencing on your congressional duties, found that you are liable to be called on by your constituents for all sorts of things that you know about, and perhaps for a good many things that you know nothing about. Now I, being one of your constituents, have thought, in view of the fact that the committee who are at work trying to find out if there is any good reason why the tariff should not be reduced on certain things that are brought to this country, that I might put in a word for the duty now on tow.

Some of our people here in 1887 were led to believe that there was money in making crash and towels of linen and that the raw material could be grown here to do that kind of work and built a mill at that time. The mill has been running the most of the time since it was built, but so far they have never been able to make any money; have generally come out just about even. No officer of the company has ever had one cent of salary for services connected with the work and they have never been able to declare a dividend. I think there could be a little money made if the tariff was removed on tow, which is the material we use here for making crash and towels. Cotton yarn is used for warp and linen for the filling generally in crash and towels. Sometimes they use the linen thread or yarn both for the warp and the filling. This crash and towels such as are made here are used largely by the farming and laboring communities, and sell for from 5 to 8 cents a yard, according to the width of the crash. The toweling is sold usually by the piece and the price is governed by the width and length of them.

The tow and duty paid costs in New York generally 9 cents a pound and comes largely from Russia. If that duty was removed entirely our people think there would be a little margin in making crash and towels. As I understand it, the duty is 1 cent a pound.

We have been trying here for the past four or five years to raise flax for making crash and towels, but find it a very expensive experiment. In order to save the fine fiber of flax which is used for shoe strings and small twine, it is necessary to pull the flax by hand. We have tried cutting it with a small reaper, but find that we can not do that to advantage. In the old country where it is raised successfully, it is pulled by hand. That is done in order to keep the stem of flax straight. It is then bound in small bundles 6 or 7 inches in diameter, where the band goes around it, and it has to be thrashed by a special machine, passing the top end of the bundle between rollers that turn together. If it goes through the ordinary thrashing machine, it tangles up the fiber and breaks it up so that it is of no use for fine fiber or for tow; hence the expense of pulling it by hand and retting it as has to be done by spreading it on the ground where it lays about ten days and is then turned over and remains on the ground or sod where it is usually spread for about ten days more. After that it is taken up and bound again and taken to the mill for thrashing and is thrashed out as stated above, with the band remain-

ing on the bundle and the tops of the bundles passing between the rollers which takes the seed out. Where they are raising flax for the seed only they make no use of the straw. It is simply grown for the seed. There have been some attempts made to use the straw, but so far it has not been successful.

The cost of labor seems to prohibit the pulling of flax by hand as we have been trying to do, and our experiment so far has been a failure; that is, it costs more than we can afford to sell the output of the mill at prices we have to sell to compete with the foreign market. The duty on the tow to this country enables the foreign countries to ship it in here and keep the prices on the crash and towels so low that we are unable to compete.

I have been connected with this mill only about four or five years. I thought by growing flax here and pulling it and putting it through the process we have to for retting and thrashing that there could be crash and toweling made here so as to compete with the foreign-country shipments. Of course, 1 cent a pound seems a very small thing, and it is a small thing for the Government, but were it removed it would enable us here to continue to run this mill and have a small margin and employ a large amount of labor, both men and women.

I believe if you and Congressman Jenkins would take this matter up with the tariff committee, who are now in session, you could have that tariff removed on tow from foreign countries, especially from Russia, where nearly all of our tow comes from for doing this work. I will write to my friend, Congressman Jenkins, and ask him to render you such assistance as he can to help us out here so we can keep our mill running. With that tariff removed I would feel like putting up a large factory on our water power and do at least ten times as much as we are doing now. There used to be a good many linen mills running in Wisconsin, Michigan, Minnesota, and some on the west coast, but as I understand it nearly every one but the one here has made a failure of it and shut down. This mill here went into the hands of a receiver a few years ago when I took hold of it.

With the tariff removed, I feel confident it would be of very great benefit to this section of the State, especially to the farming and laboring classes. It may be I am asking too much of you, but I very much hope you can take hold of this matter and that you can succeed in getting that tariff removed. Quite a number of your friends here are interested in this little mill and very likely some of them may write you in regard to it. Mr. Putnam has been connected with it during the time it has been built and he feels very sanguine that with the tariff removed we can continue to run this little mill and enlarge it as I have stated above.

I wish you would confer with Congressman Jenkins and try to enlist him with you in an effort to have this tariff on tow removed if you feel that you have the time to give to it.

I would be glad to hear from you and know how you feel about it.

With kind regards, I remain,

Very truly, yours,

O. H. INGRAM.

EXHIBIT B.

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STATISTICS,
Washington, December 15, 1908.

Hon. JOHN S. ESCH, M. C.,
House of Representatives, Washington, D. C.

SIR: In response to your letter of the 14th instant, I inclose to you herewith pages from our reports showing the imports of tow of flax for consumption, with rate of duty and amounts of duty collected, during years ending June 30, from 1903 to 1908, inclusive. I also inclose page showing the imports of flax by countries for corresponding years, except that for 1908 only total transactions are given. As you will doubtless understand, the schedule by countries, "flax," embraces all the separate classes shown under that title in imports for consumption. A division of quantities into values for any year gives the annual average import price in foreign countries whence imported, as shown on the pages inclosed under "value per unit of quantity."

The abstract of the Twelfth Census gives values of the production of dressed flax as follows:

Census years.	Value.
1880.....	\$1,310,231
1890.....	981,283
1900.....	158,650

I also observe a statement in the census report of 1900 that the production of flax fiber had declined to such an extent that no special effort was taken to collect statistics thereof at the census of that year. I will request the Bureau of Manufactures of this department to send you any consular information that it may have available with respect to flax in foreign countries.

Very truly, yours,

O. P. AUSTIN,
Chief of Bureau.

EXHIBIT C.

Imports of flax tow, showing rate of duty, quantity, value, duties, average value per unit of quantity, and ad valorem rate of duty.

Year.	Rate of duty.	Quantity.	Value.	Duties.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
	<i>Per ton.</i>	<i>Tons.</i>				<i>Per cent.</i>
1903.....	\$20	2,240.11	\$392,815.00	\$44,802.17	\$175.36	11.41
1904.....	20	2,736.42	450,521.00	54,728.23	164.64	12.15
1905.....	20	1,400.64	256,922.63	28,012.75	183.43	10.90
1906.....	20	1,825.81	309,505.00	36,516.05	169.52	11.80
1907.....	20	2,045.75	348,836.00	49,914.91	170.50	11.73
1908.....	20	1,994.79	315,137.00	39,895.84	157.98	12.66

EXHIBIT D.

Imports of merchandise—years ending June 30, 1903–1907.

FIBERS, VEGETABLE, AND TEXTILE GRASSES, AND MANUFACTURES OF, NOT ELSEWHERE SPECIFIED. UNMANUFACTURED.

FLAX. (Dutiable.)

Imported from—	1903.	1904.	1905.	1906.	1907.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Europe:					
Austria-Hungary			30		2
Azores, and Madeira Islands					2,229
Belgium	2,066	2,586	2,588	2,770	
Denmark			10	8	
France	352	278	711	203	107
Germany	83	42	129	189	300
Italy	90	10		74	30
Netherlands		355	649	307	468
Russia in Europe	2,240	3,629	1,280	3,169	3,284
United Kingdom	1,723	1,905	1,708	1,172	1,473
North America:					
Canada	899	1,317	984	837	763
Total	8,155	10,123	8,089	8,729	8,656
RECAPITULATION.					
Europe	7,256	8,806	7,105	7,892	7,893
North America	899	1,317	984	837	763
Europe:					
Austria-Hungary			\$9,067		\$590
Azores, and Madeira Islands					635,434
Belgium	\$539,651	\$679,203	739,310	\$884,086	
Denmark		43	2,480	1,465	
France	85,086	65,858	184,040	49,895	27,655
Germany	19,053	8,879	26,887	46,431	63,842
Italy	14,708	1,574		13,236	4,006
Netherlands	163,479	96,364	181,780	88,453	136,005
Russia in Europe	394,194	741,184	243,960	628,742	680,013
United Kingdom	632,274	670,087	658,484	433,261	538,660
North America:					
Canada	179,567	278,682	212,413	181,731	167,907
Total	2,028,012	2,541,874	2,260,421	2,327,300	2,254,112
RECAPITULATION.					
Europe	1,848,445	2,263,192	2,048,008	2,145,669	2,086,205
North America	179,567	278,682	212,413	181,731	167,907

The importations for 1908 amounted to 9,528 tons, valued at \$2,514,680.

HEMP.

[Paragraph 327.]

STATEMENT OF HAMILTON SCOTT, OF LEXINGTON, KY., REPRESENTING THE AMERICAN HEMP GROWERS.

MONDAY, *November 30, 1908.*

Mr. SCOTT. Mr. Chairman and gentlemen, I am here in the interest of the American hemp growers. Most of the product is grown in central Kentucky, but not all of it. I am, like most Kentuckians, very modest in my demands. We simply ask that the duty on raw materials be left as it is. You may wonder why we ask a duty at all on raw materials. We are simply interested in the duty on raw ma-

terials for this reason: If you remove the duty, say, on flax, then a cheaper grade of flax called "Russian flax tow" will be introduced into the market, and it will mean practically the wiping out of the American hemp industry. There is now being introduced into the United States and being sold in competition with us what is known as "flax tow," and this product is not local at all. It is being introduced into Indiana, Minnesota, Michigan, Nebraska, and California very successfully. What has retarded the industry heretofore has been more the want of a machine for separating the fiber from the lint. We think now that there are three or four machines that will accomplish that purpose. There is no reason in the world why American hemp should not be doubled—yes, any quantity of it grown in the United States—with a moderate protection. We do not think it unreasonable to ask that the duty be retained.

Mr. UNDERWOOD. The duty on hemp is how much, now?

Mr. SCOTT. It is now \$20 a ton on hemp and tow—Russian and Italian hemp and tow.

Mr. UNDERWOOD. There is no importation of hemp into this country at all now, is there?

Mr. SCOTT. Oh, yes; there is. There are importations of Russian hemp. I wish there were not.

Mr. UNDERWOOD. To what extent?

Mr. SCOTT. I think about 8,000 or 10,000 tons.

Mr. UNDERWOOD. What is the total production of hemp in this country?

Mr. SCOTT. Well, it is very low now. I should think about 8,000 tons.

Mr. UNDERWOOD. And there are only 8,000 tons of hemp imported into the country?

Mr. SCOTT. No; I said grown here. I think there are about 8,000 tons imported, too.

Mr. UNDERWOOD. In your judgment the importations are about 50 per cent of the amount we consume in this country?

Mr. SCOTT. I think so. I do not know what flax is introduced, of course.

Mr. UNDERWOOD. When was the first duty placed on hemp in this country?

Mr. SCOTT. I do not know. I know the duty was taken off years ago. I was a grower of hemp then. I think the duty was replaced under Mr. McKinley.

Mr. UNDERWOOD. Was not hemp free under the Wilson bill? Was it not on the free list?

Mr. SCOTT. I do not know whether it was or not. It may have been. The price got so low that really we quit raising it to a great extent. You see we used to grow 30,000 or 40,000 tons of hemp in the United States.

Mr. UNDERWOOD. You used to grow what?

Mr. SCOTT. Thirty or forty thousand tons. We made bagging out of it, and binder twine.

Mr. UNDERWOOD. Is not hemp a commodity which, like tobacco, is very trying on the land?

Mr. SCOTT. I have grown 14 crops in succession on the same land. Oh, no; it is not exhausting, like tobacco.

Mr. UNDERWOOD. It does not exhaust the land?

Mr. SCOTT. No; and then you can recuperate the ground. Tobacco takes from five to ten years. You raise three crops of tobacco and it exhausts the soil of those properties that go to make up the tobacco. It does not exhaust the soil of the properties that go to make hemp.

Mr. UNDERWOOD. There are no agricultural reasons, then, you think, why the production of hemp has fallen off?

Mr. SCOTT. No agricultural reasons?

Mr. UNDERWOOD. Yes.

Mr. SCOTT. No, sir; none whatever.

Mr. UNDERWOOD. What has been the falling off in the production of hemp in the last ten years?

Mr. SCOTT. Well, I do not know. I think under the Wilson bill it got very low, and since the tariff was put on, of \$20 a ton, it has been somewhat stimulated, but it has not grown more on account of the lack of a machine to handle it. You can grow it in any State, almost, if you can handle it.

Mr. UNDERWOOD. You think, then, that the production of hemp would vastly increase if you had a machine that would properly handle it?

Mr. SCOTT. I think we have that now. All we want is to be let alone. I do not mean in Kentucky only, but it has been grown in other States—in Mississippi and Texas—successfully.

Mr. UNDERWOOD. What is the net profit per acre that a producer of hemp can make?

Mr. SCOTT. That depends on a great many conditions. During the last two or three years in Kentucky, up to this year, labor has been very high on account of the cultivation of tobacco and the horse interests. This year we will not get as much per acre by one-half as we got last year.

Mr. UNDERWOOD. You have been in the business, and I would like to know, for information, what your judgment is on the average crop, and the average year.

Mr. SCOTT. Well, I am on both sides of this thing. I am a producer and a handler. I have rented ground and paid as much as \$15 an acre for it, for a term of years.

Mr. UNDERWOOD. You have rented and paid as much as \$15 an acre?

Mr. SCOTT. Yes.

Mr. UNDERWOOD. How much profit did you make?

Mr. SCOTT. That varies. I have known a man to make as high as \$25, but that is very exceptional.

Mr. UNDERWOOD. You have known people to make, as an average, \$25 raising hemp?

Mr. SCOTT. Yes, sir.

Mr. UNDERWOOD. Where the man owned the soil?

Mr. SCOTT. Yes, sir.

Mr. UNDERWOOD. And the average crops will go as low as what?

Mr. SCOTT. I think some of them will be away behind in their accounts this year.

The CHAIRMAN. We will now hear Mr. J. Arthur Adams, of Philadelphia, Pa.

Mr. ADAMS. Mr. Chairman, I was informed that I would be called to-morrow and I have not my memoranda here.

The CHAIRMAN. Do you appear in connection with cotton or silk?

Mr. ADAMS. There are four different schedules—cotton, silk, linen, and wool. The most important one—

The CHAIRMAN. We are not talking about either of those things to-day. It was through a mistake that your name was put down here.

Mr. ADAMS. Since I am here, I would like to get through.

MEMORIAL OF ITALIAN CHAMBER OF COMMERCE, NEW YORK CITY, ASKING FOR REMOVAL OF HEMP DUTY.

MONDAY, *November 30, 1908.*

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

GENTLEMEN: A duty of \$20 per ton is now levied on hemp, according to paragraph 327 of the tariff.

Of foreign countries supplying this article to the United States Italy is the most important, having supplied in the fiscal year 1907 5,856 tons, valued at \$1,138,766, or about two-thirds of the whole importation, 8,718 tons.

The duty of \$20 per ton was originally established as a protection to domestic hemp, the production of which is, however, practically confined to Kentucky, where it has declined, owing to reasons other than want of protection. The reported production at the last census was 11,750,630 pounds, representing a value of \$546,338. The causes for the decline, as stated in the Census Report on Agriculture, volume 6, page 420, are "the introduction of manila hemp, the large importation of jute, the declining prices of hard cordage fibers, such as sisal, and the use of cotton for twine and yarns."

An entirely different grade from the domestic is Italian hemp, which represents the highest quality and value in this line of goods, and is used principally in the manufacture of fabrics, such as carpet yarn, and in the manufacture of twine and high-grade cordage.

The different industrial uses to which Italian and domestic hemp are destined, respectively, places domestic production outside the range of competition from imported hemp, so that the duty charged on Italian and foreign hemp can not any longer be justified as a measure of protection.

There is no doubt that, on the face of the low prices of cordage materials, due to the competition of other fibers, such as manila, sisal, and tampico istle, admitted free of duty, the market possibilities for Italian hemp are confined to the higher grade of cordage and to the manufacture of certain fabrics, in which line it occupies a unique position, and for which purpose its importation should be encouraged, in order to promote in the United States such manufactures as have already made the prosperity of certain Irish and Belgian industrial centers.

Hemp, being a raw material necessary to the American textile industry required in constantly increasing quantity and the utilization of which is a source of profit to American labor, should be ad-

mitted free of duty like all other fibers are, such as manila, sisal, tampico istle, and recommendation to this effect is respectfully submitted by this chamber to this honorable committee.

For the Italian Chamber of Commerce in New York.

E. MARIANI,
Vice-President.
G. R. SCHROEDER,
Secretary.

THE INTERNATIONAL CHAMBER OF COMMERCE, ALBAY, P. I., PETITIONS FOR THE REMOVAL OF THE DUTY FROM HEMP EXPORTED FROM THE PHILIPPINE ISLANDS.

WASHINGTON, *December 8, 1908.*

The CHAIRMAN COMMITTEE ON WAYS AND MEANS,
House of Representatives.

SIR: I have the honor to transmit herewith a memorial of the International Chamber of Commerce, of the province of Albay, P. I., to the Congress of the United States, praying that the present duty on hemp exported from the Philippine Islands be removed.

This memorial was brought to the War Department by the Hon. Charles A. Reynolds, late governor of the province of Albay, P. I., with the request that it be forwarded.

Very respectfully,

LUKE E. WRIGHT,
Secretary of War.

LEGASPI, P. I., *March 5, 1908.*

Whereas by an act of the Philippine Commission No. 230 and passed September 17, 1901, by authority of General Orders, No. 49, office of the military governor of the Philippine Islands, dated October 26, 1899, and by the terms of article 13 of said act an export tax of 75 cents per 100 kilograms is levied and collected upon all abaca or hemp exported from the Philippine Islands; and

Whereas this export tax, collected upon all shipments of hemp to the United States, when the same shall be there used for the manufacture of finished products or otherwise there consumed, is refunded to the exporter residing in the Philippine Islands, and the same becomes his gain and profit at the cost and loss of the producer; and

Whereas buyers of hemp in the provinces invariably, because they must, as wise business men discounting the probable future, fix the price to be paid therefor with the prospect of paying the said export tax thereon, thus constructively collecting it from the producer upon the initial sale of his crop as it first passes from his hands; and

Whereas this export tax equals the sum of 46 $\frac{3}{4}$ cents per picul, or 93 $\frac{3}{4}$ cents per bale, or as expressed in the currency of the Philippine Islands, ₱0.93 $\frac{3}{4}$ per picul, or ₱1.87 per bale, and is charged against and taken from the farmer as a penalty for his industry and achievements in soil culture; and in the case of shipment to the United States for consumption there the said export tax amounting to the sums aforesaid upon each picul and each bale of hemp is returned to and placed into the pockets of the Manila middleman, and at the same time the manufacturer and the consumer in the United States

is in no sense the beneficiary by reason of this regulation: Therefore be it

Resolved by the International Chamber of Commerce, of the province of Albay, That the Congress of the United States be, and is hereby, memorialized to remove said export tax which ruinously discriminates against the hemp farmer in the manner and to the extent aforesaid, the same being especially burdensome as well as obnoxious to him at this time when hemp is bringing at least 50 per cent less than it brought on the date and in the period of the enactment of said act No. 230, by the Philippine Commission; and be it further

Resolved, That the Hon. Charles A. Reynolds, retiring governor of the province of Albay, and president of said International Chamber of Commerce, of the province of Albay, who soon will return to the United States, be and he is requested and instructed to present to the proper committees of the Senate and House of Representatives of the Congress of the United States the representations herein contained, together with such other data touching the subject as he may care to prepare, and insist upon the relief so much needed and in good conscience demanded in behalf of the languishing of the most important agricultural industry of the entire archipelago.

A true copy.

LEONARD S. GODDARD, *President.*

LUIS PALOMAR PALDOVI, *Secretary.*

RAMIE AND SILK COCOONS.

SAMUEL H. SLAUGHT, WASHINGTON, D. C., WISHES AN APPROPRIATION TO DEVELOP THE RAMIE INDUSTRY, AND SUGGESTS A DUTY ON SILK COCOONS.

WASHINGTON, D. C., *December 14, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: I am particularly interested in the ramie industry in the United States, and as it promises to be one of the greatest industries waiting to be fostered, it is very important that it should be understood; but it has been so horribly misrepresented that it may somewhat interest you to look thoroughly into the merits of it.

In the act of July 24, 1897, in these schedules you will see that there was a tariff put on ramie, of threads, twines, or cords not finer than 5 lea or number, 13 cents a pound, and if finer than 5 lea or number, three-fourths of 1 cent per pound for each lea or number from yarn finer than 5 lea or number. Then, in 331, single yarns in gray, not finer than 8 lea or number, 7 cents a pound; finer than 8 lea or number, 40 per cent ad valorem if not finer than 80 lea or number; and, if finer than 80 lea or number, then they dropped down to 15 per cent ad valorem.

This discrepancy should by all means be corrected, as it is in the interest of importers and manufacturers, who have no interest in the coarser yarns and only want the finest threads for making silks and other fine goods that they sell for silk or other high-priced materials, and can well afford to pay any duty below that on silk itself. This item

should be raised from 50 to 100 per cent, as they weave these threads into silk dress goods and sell them for silk. They are enabled to fight the development of the ramie industry in this country, and that is just what they are doing.

When I got the appropriation of \$5,000 eliminated from the agricultural appropriation bill for the fiber investigation, these very men rushed here from New York and New Jersey and protested that "they wanted the ramie industry promoted," and "that if it could be continued another year it could be done, and they would help;" but when the end of the year came in which they were granted the continuance of the appropriation with the proviso that \$2,000 should be used for genuine experiments and only \$3,000 could be used for salaries (in fact, it had been used all for fighting it in this country), and at the end of the year it was shown that the \$2,000 had not been used at all, and the \$3,000 had been used to fight the industry here instead of assisting it, the whole appropriation was thrown out bodily.

Now I ask that this be thoroughly looked into and justice be done to the efforts honestly and intelligently being done in its favor. The last time I estimated the imports of fine and high-priced goods that we are importing, that could be duplicated out of ramie raised and manufactured in this country, thus making an enormous industry in many ways and a saving of the exportation of over a hundred millions of gold, were \$135,000,000 annually.

The goods I speak of are silks, alpaca, camel's hair, wool, worsted, and flax, and, of course, ramie, which Mr. North, the Director of the Census, promises me to take up and report as a separate matter.

I want to say that this ramie industry needs in all its best stages silkworm silk, and it will pay the promoters of ramie to thoroughly promote the raising of the silkworm, and, as I state in my writings in Senate Documents Nos. 533 and 534, last session of Congress, we will agree to buy all the silk that can be produced in the United States, and at a price that will induce the people to embark in the work of producing the cocoons. I know that it can be done in a short time if there could be a tariff fixed so that it could be increased every year as fast as the industry could be developed. I would not ask more than 10 or 20 per cent raise at the present time on raw silk, to start with, but at least 10 per cent each year until the matter was accomplished. If the people only knew for a certainty that it would be done they would immediately embark in the enterprise. The ramie companies will contract for all the product at a price to pay. There must be a market in the interest of this work in order to accomplish it, and the ramie industry will need it as soon as it can be started. Now, I am asking just enough appropriation to help to demonstrate it, and should have had it ten years ago, and would but for the ignorance concerning it and the misrepresentations made by the deposed fiber agent in the Agricultural Department for so many years, as well as foreign interference with Congress and the tariff and by men selfishly interested in nothing but themselves.

Of course I would not ask that a prohibitive tariff should be made until the certainty was demonstrated that it would be produced in this country and by our own people on a paying basis.

The Republican party has been reputed to be a progressive "industry party," and here is the chance for them to rise up to the

level of their professions. Here is one of the coming great and most important things for them to do in order to prove it definitely to the satisfaction of all concerned.

I have grown ramie in Florida, Louisiana, Texas, Alabama, Mississippi, and California, as well as here in Washington, for a number of years, and can prove what I say and have written about it. Please read with a little care and interest Senate Documents Nos. 533 and 534 which I have left with each one of you, and give me an appropriation sufficient and I will prove more than I say here, and do it in a few years, too. Only give me one-half what the Government has deprived me of foolishly in the past ten years, and I will make it up to the people and recover the other half I have lost myself, and make it worth many hundred millions to the country annually.

Very respectfully,

SAMUEL H. SLAUGHT.

CABLES, CORDAGE, AND BINDING TWINE.

[Paragraphs 329 and 491.]

STATEMENT OF E. D. METCALF, REPRESENTING THE COLUMBIAN ROPE COMPANY, OF AUBURN, N. Y.

MONDAY, *November 30, 1908.*

MR. METCALF. Mr. Chairman and gentlemen, you had the pleasure of listening to another constituent of Mr. Payne Saturday, and I am one of the men in his district who has been troubling him for some time past. I have prepared a short brief and the subject is not such as to take very much of your time.

Agreeable to the request of your committee that only one person should represent a given industry, I have been asked by the manufacturers using vegetable fibers, covered by paragraph 566 of the Dingley law of 1897, manufactured into binding twine and rope, to present their views and submit suggestions for your consideration.

We are interested not only in 566, covering raw material, but 329, 491, and 573, covering binding twine, rope, and cordage made from various vegetable fibers.

In considering how any new tariff would affect an industry it is well to investigate what has been the result under former tariff bills. Our raw material has been upon the free list, a large part of our production is on the free list, and a small portion protected by a small duty insufficient to equalize the wages paid in Europe with those paid in this country.

The manufacture of rope and binding twine as a whole has been one of the most unfortunate industries in the United States for the past twenty years, and there are strewed from Canada to the Gulf of Mexico manufacturing plants dismantled and many unoccupied for years which were once prosperous industries. Very few, indeed, have had any degree of apparent prosperity.

This condition, however, is not due to tariff laws, for this country has exported their product as well as imported manufactured arti-

cles in our line, but it has been due largely to the small margin of profit between raw and finished product, fluctuations in the price of raw material, cost of labor, which is at least 33 per cent higher than it was ten years ago, and the gradual and increasing use of wire rope in the equipment of vessels.

With these conditions before you, we beg leave to suggest the following recommendations to your committee:

First. That paragraph 566 of the tariff law of 1897, covering raw material, remain as it is at the present time.

Second. That paragraph 329, covering manufactured cables and cordage, read as follows:

Cables and cordage composed of istle, tampico fiber, manila, sisal grass, sunn, or a mixture of these or any of them, three-fourths of a cent per pound, cables and cordage made of hemp tarred or untarred, 2 cents per pound.

The suggested decrease of one-fourth of a cent per pound, duty minimum, is for the purpose of assisting the committee in arriving at the lowest duty that we can possibly manufacture under, in view of increased labor costs here over that in Europe.

Third. Hide rope included in paragraph 573 should be included in paragraph 329, as it is simply one variety of rope made by every manufacturer of rope and should not be in the free list any more than any other kind of rope.

Fourth. Paragraph 491, binding twine, should read the same as now, excepting that it should also include the word "manila," as follows:

All binding twine manufactured from manila—

That was omitted from the last law—

All binding twine manufactured from manila, New Zealand hemp, istle, or tampico fiber, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measuring not exceeding 650 feet to the pound—

That is on the free list—

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 one-half of 1 cent per pound.

That is the only paragraph I have been able to read in the Dingley law that has been reciprocal in its action. It has been flexible according to the conditions throughout the country.

The reason that manila was not included in paragraph 491 was because manila hemp is usually spun into longer yarn than other fibers and the labor cost is much greater and wages being so much cheaper in Europe it was considered necessary to protect the manufacturers in this country to that extent, and manila binding twine has therefore been imported only under the general manufacturing clause. The refunding of the export duty on manila hemp from the Philippines manufactured in the United States now acts as a partial offset to the decreased cost of wages in Europe, and manila could be included in the regular paragraph covering binding twine without serious injury to the manufacturers of this country, so long as they receive the refund of the export duty paid on manila hemp in the Philippines.

The proviso in this paragraph is absolutely necessary to protect us against the possibility of Canada placing an import duty on binding twine to protect their own manufacturing interests.

As we now export to Canada more twine than is imported from Canada the conditions are reciprocal, but there would be great injury to the manufacturers in this country should this proviso not be incorporated in this paragraph.

Following this I furnish the statistics of both the receipts and the exports of rope and binding twine for the last ten years, but I will not trouble you to listen to them.

(The statistics referred to by Mr. Metcalf follow:)

The amount and value of imports of rope for recent years is as follows:

Rope, tarred or untarred, of hemp.

	Quantity imported.	Value.	Duty collected.	Value per pound.	Ad valorem duty.
	<i>Pounds.</i>				<i>Per cent.</i>
1898, 2 cents per pound.....	310,303	\$28,385.04	\$6,026.06	\$0.091	21.87
1899, 2 cents per pound.....	335,778	31,694.50	6,715.52	.094	21.19
1900, 2 cents per pound.....	363,960	34,319.00	7,279.20	.094	21.21
1901, 2 cents per pound.....	118,407.50	11,823.95	2,368.15	.10	20.03
1902, 2 cents per pound.....	517,741	55,159.90	10,354.82	.107	18.77
1903, 2 cents per pound.....	317,099	33,248.10	6,341.98	.105	19.10
1904, 2 cents per pound.....	406,973.50	42,512.90	8,139.47	.104	19.15
1905, 2 cents per pound.....	361,293	38,575.99	7,225.89	.101	19.75
1906, 2 cents per pound.....	625,236.25	51,434.00	12,504.73	.082	24.31
1907, 2 cents per pound.....	760,326.75	60,621.00	15,206.54	.079	25.08

Other rope, of istle, tampico fiber, manila, sisal grass, or sunn, or a mixture of them, or any of them.

	Quantity imported.	Value.	Duty collected.	Value per pound.	Ad valorem duty.
	<i>Pounds.</i>				<i>Per cent.</i>
1898, 1 cent per pound.....	80,338	\$6,061.80	\$603.38	\$0.066	11.54
1899, 1 cent per pound.....	50,543	3,722.80	505.43	.074	13.58
1900, 1 cent per pound.....	40,466	2,632.25	404.66	.065	15.37
1901, 1 cent per pound.....	23,605.50	1,976.50	236.06	.084	11.94
1902, 1 cent per pound.....	130,075	5,534.00	1,300.75	.042	23.50
1903, 1 cent per pound.....	82,067	8,688.00	820.67	.106	9.45
1904, 1 cent per pound.....	59,804	5,987.22	598.04	.100	9.99
1905, 1 cent per pound.....	162,732	15,649.00	1,627.32	.096	10.40
1906, 1 cent per pound.....	353,028	36,220.00	3,530.28	.103	9.75
1907, 1 cent per pound.....	89,247	8,577.50	892.47	.096	10.40

The amount and value of imports of binding twine are as follows:

Binding twine manufactured from New Zealand hemp, istle, or tampico fiber, sisal grass, or sunn, or single ply, and measuring not exceeding 600 feet to the pound.

	Quantity imported.	Value.	Value per pound.	Ad valorem duty.
	<i>Pounds.</i>			
1895, free of duty.....	289,355	\$14,082.00	\$0.049	Free.
1896, free of duty.....	820,618	47,531.10	.058	Free.
1897, free of duty.....	293,612	14,359.49	.049	Free.
1898, free of duty.....	374,395	30,989.00	.082	Free.
1899, free of duty.....	1,835,642	184,312.55	.10	Free.
1900, free of duty.....	4,700,926	443,487.00	.094	Free.
1901, free of duty.....	8,685,421	480,174.00	.072	Free.
1902, free of duty.....	8,484,175	704,571.00	.083	Free.
1903, free of duty.....	3,537,305	312,995.00	.088	Free.
1904, free of duty.....	8,651,974	843,536.00	.098	Free.
1905, free of duty.....	3,748,642	330,989.50	.088	Free.
1906, free of duty.....	3,793,985.50	349,774.25	.092	Free.
1907, free of duty.....	2,486,490	227,499.00	.09	Free.

Binding twine from countries which impose a duty on like articles imported from the United States.

	Quantity imported.	Value.	Duty collected.	Value per pound.	Ad valorem duty.
	<i>Pounds.</i>				<i>Per cent.</i>
1898, one-half cent per pound-----	275	\$18.00	\$1.38	\$0.065	7.67
1899, one-half cent per pound-----	2,100	165.62	10.50	.079	6.34
1906, one-half cent per pound-----	1,892	161.00	9.46	.085	5.88
1907, one-half cent per pound-----	30	6.00	.15	.20	2.50

The value of exports of cables and cordage and twine have been as follows:

	Cordage.	Twine.
1898-----	\$576,140	\$1,091,576
1899-----	735,019	1,505,345
1900-----	927,805	2,646,482
1901-----	832,371	2,591,412
1902-----	713,439	2,955,377
1903-----	935,587	3,331,101
1904-----	926,278	4,396,364
1905-----	920,127	4,698,090
1906-----	886,561	5,505,068
1907-----	934,630	5,534,772

The CHAIRMAN. In paragraph 491 what changes do you make from the present law?

Mr. METCALF. It includes manila hemp, which was not included in the original paragraph 491.

The CHAIRMAN. That is the only change you suggest?

Mr. METCALF. In the paragraph on binding twine that is the only change, with the proviso, which is reciprocal.

The CHAIRMAN. The proviso is there now?

Mr. METCALF. Yes, sir. That will protect us against Canada if Canada should put on an import duty. It protects us now against Germany and France, who make large quantities of binder twine, because they would have to pay half a cent per pound duty.

The CHAIRMAN. Unless they put their binding twine on the free list?

Mr. METCALF. Exactly. That would open their market to us. It is the only paragraph in the Dingley bill that has been reciprocal at once without any action on the part of the President.

The CHAIRMAN. There are other paragraphs, one of which has been very much criticised. That paragraph relates to petroleum and its products.

Mr. METCALF. I am not interested in petroleum.

The CHAIRMAN. There are other paragraphs and this petroleum paragraph has been very much criticised. It provides for a duty unless they give us free entrance to their markets. The paragraph in regard to petroleum has operated as to other countries except Russia. Russia puts on a large duty and we have a duty on the products coming from Russia. That paragraph originated with the Wilson bill and was continued in the Dingley bill, the present law.

Mr. CLARK. I did not catch your name?

Mr. METCALF. E. D. Metcalf.

Mr. CLARK. I want to say that you have made a remarkably luminous statement of your matter. I want to ask you a few questions. The CHAIRMAN. He comes from Auburn.

Mr. CLARK. I observe that, but I want to say that he did make a clear and concise statement of what he wants.

Mr. GAINES. Notwithstanding his residence is in Auburn.

Mr. CLARK. He did that notwithstanding that he resides in Auburn.

I want to ask you a question or two about section 491. Do you take this binding twine simply to mean binder twine or does it mean all sorts of twine?

Mr. METCALF. Only binding twine.

Mr. CLARK. Is that binder twine?

Mr. METCALF. It is twine used in the binding of grain.

Mr. CLARK. Out west, where we raise the grain, we say "binder twine."

Mr. METCALF. Binding twine and binder twine, I think, in the Treasury Department are considered as one.

Mr. CLARK. Is there any sort of tariff on binding or binder twine except this provided for in paragraph 491?

Mr. METCALF. That is the only one, and that enables the manufacturers of this country to export more binding twine than is imported.

Mr. CLARK. I am glad to hear that. Is there any such thing in the United States as a binding-twine trust?

Mr. METCALF. No, sir; not to my knowledge.

Mr. CLARK. If that is true, how does it happen that when Kansas and, subsequently, Missouri went into the business of manufacturing twine in the penitentiaries that they brought down the price of binding twine in those two States?

Mr. METCALF. If you will permit me, I will go into that.

Mr. CLARK. I want to understand it.

Mr. METCALF. In 1890, or about that time, there was formed what was called a "trust" in the cordage business by the formation of a large company called the "National Cordage Company."

Mr. CLARK. I had forgotten the name; that was it.

Mr. METCALF. I was not in the cordage business at that time; I was a user of their product. I wanted to buy it at a fair price and I could not. I am telling you my own experience.

Mr. CLARK. That is as good as any, and perhaps better.

Mr. METCALF. I decided to build a mill. They defied me. They said that I could not do it, that I could not get any machinery. I tried to buy the machinery in this country. I found that they had subsidized the only factory that made machinery in this country. Then I sent to Europe. I found they had subsidized the factories there and that I had no opportunity to buy the machinery in Europe. Then I got a draftsman who was familiar with the matter, and from the original drawings we made wooden patterns and then metal patterns and then our machinery. Of course, starting from the foundation up, we had a great many difficulties in the first year or two, but we were able to live when the trust failed.

Mr. CLARK. I congratulate you.

Mr. METCALF. That is the difficulty I had to get into the business. Now, to answer your question, this condition was what led, unfortunately, to the building of binding-twine industries in our state pris-

ons. It was those conditions that compelled me to go into the business. If I could have bought twine at that time I would not have gone into the manufacture of twine, that is, if I could have bought it at a fair and reasonable price, but I was compelled to make twine and compete with them in the field, because we were manufacturing agricultural implements and it was necessary. We could not sell binders without selling the twine. The same condition we had to face existed in the West. Those conditions no longer exist. They have not existed for a good many years, and there is no necessity for any State to go into the business, because binding twine is sold to-day at a very small profit; that is, it is no longer above a legitimate profit.

Mr. CLARK. They were already in?

Mr. METCALF. Yes, sir.

Mr. CLARK. Kansas led the way, and five or six years ago Missouri went into the business. You say the cordage trust has failed?

Mr. METCALF. They failed, their successors failed, and their successors also failed; thus making three failures.

Mr. CLARK. I am really glad to hear it. You helped to do it?

Mr. METCALF. Kansas did their part.

Mr. CLARK. You helped to do it?

Mr. METCALF. They give me credit for it.

Mr. CLARK. I want to ask you the specific reasons for putting in manila?

Mr. METCALF. Manila was omitted from the original paragraph, owing to the expense attending its manufacture; but now, with the refund of the Philippine export duty, there is no reason why the manufacturers should object to that. To go a little further, I want to say that we have considered the subject and have decided on the measures I have recommended here.

Mr. CLARK. How many separate companies are there manufacturing what you might call "cordage" in a general way?

Mr. METCALF. Not over ten in the whole United States.

Mr. CLARK. Paragraph 329 reads:

Cables and cordage composed of istle, Tampico fiber, manila, sisal grass or sunn, or a mixture of these or any of them, 1 cent per pound.

You suggest that we cut that down to three-quarters of a cent?

Mr. METCALF. Yes, sir.

Mr. CLARK. Can you still do business?

Mr. METCALF. We believe so. We want to meet the wishes of the Middle West in helping the committee on this subject.

Mr. CLARK. The other words in the paragraph are:

Cables and cordage made of hemp, tarred or untarred, 2 cents per pound.

Do you propose to change that in any way?

Mr. METCALF. No, sir. That is made from Russian hemp, all imported. That is not from any production which we raise in this country. It is used on vessels.

Mr. CLARK. Are the American makers of cordage at this time exporting more than is imported into the United States?

Mr. METCALF. I think so. I guess they export more, not very much more.

Mr. BOUTELL. What is the total money value of the exports of binder twine?

Mr. METCALF. The statistics of the Treasury Department do not separate binding twine from the other twines. The exports last year

of twine were \$5,584,772, but that covered all kinds and descriptions of twine. I have applied to the Treasury Department for a separation, but they have informed me that it requires a great deal of work. They are going to separate the figures for the city of New York, and I will be glad to furnish them to the committee.

Mr. BOUTELL. In the same classification, what was the amount of the domestic consumption?

Mr. METCALF. Of binding twine alone?

Mr. BOUTELL. If you can give binding twine.

Mr. METCALF. I can not; but it was several times the amount exported.

Mr. BOUTELL. The total amount of cordage exported was \$5,000,000?

Mr. METCALF. Of binding and other twines?

Mr. BOUTELL. Yes, sir.

Mr. METCALF. About \$900,000. Of cordage alone, I have the exact figures here. In 1907 it was \$934,630 of cordage; in 1906, \$886,561; in 1905, \$920,127. Of binding and other twines those three years it was: 1907, \$5,584,772; 1906, \$5,505,068; and 1905, \$4,698,090; and the year before that, \$4,396,364.

Mr. BOUTELL. Can you give for any of those years the total of domestic consumption?

Mr. METCALF. No, sir. I want to point out again that since the Dingley bill was enacted, ten years ago, when the exports were \$1,091,576, we have increased the exports of various kinds of twine nearly \$5,000,000. I can not give the domestic consumption, because I did not come prepared with those figures.

Mr. BOUTELL. Who are the largest users of the binder twine manufactured in this country?

Mr. METCALF. The farmers of the United States everywhere where grain is reaped and cut with a binder.

Mr. BOUTELL. I understand, but to whom do the manufacturers of binder twine sell?

Mr. METCALF. They usually sell to the local dealers in every community where the twine is used. It may be a small farmer or it may be a corner grocery store that sells the binding twine.

Mr. BOUTELL. A large amount of it is used by the manufacturers of agricultural implements?

Mr. METCALF. They only use it in testing their machines. They distribute it themselves through the same channels that the other people do.

Mr. BOUTELL. Are there any other agencies that contributed to the breaking up of the cordage trust, except the ones you have mentioned?

Mr. METCALF. I have not given the names, but there are several, and I think they are proud of it—the Plymouth Cordage Company and the E. H. Fidler Company. They have always been proud of the fact.

Mr. BOUTELL. And I think justly so and they deserve the thanks of the community. Were there any other agencies—were there any prosecutions against the cordage trust?

Mr. METCALF. No, sir. Speculation, I think, had as much to do with it as anything.

Mr. GRIGGS. I understand that you appear here in favor of free binding twine and everything on that line. Binding twine is already free?

Mr. METCALF. Yes, sir.

Mr. GRIGGS. Do you favor free jute?

Mr. METCALF. Jute is another matter and will be covered by others. I am decidedly in favor of jute fiber being free for the manufacture of jute also.

Mr. GRIGGS. I understand you appear here in behalf of the farmers?

Mr. METCALF. No, sir. I appear in behalf of the manufacturers of hard fiber; that is, manila, sisal, New Zealand sunn, and tampico—that class of fiber as distinguished by the Treasury Department in paragraph 329.

Mr. GRIGGS. Please give me briefly your reasons for being in favor of free jute.

Mr. METCALF. There are other gentlemen better prepared to answer that question.

Mr. GRIGGS. But I am only asking you.

Mr. METCALF. My reason is that jute is not raised in this country and is not raised in any of the colonies, you might say, of the United States.

Mr. GRIGGS. Do not say that in the presence of my friends here.

Mr. METCALF. It is a low-priced material and comes from a country where they have the lowest price of labor in the world, and there is no reason why we should not have raw material of that character free.

Mr. GRIGGS. Do you not believe that the farmers of the United States should have material for gathering and marketing their crops free?

Mr. METCALF. You are covering a pretty broad subject, but I am very much inclined to think——

Mr. GRIGGS (interrupting). You are a broad man.

The CHAIRMAN. It is the intention to have other gentlemen come before the committee subsequently on the other subjects, and I think we better confine ourselves to this schedule now. Mr. Metcalf will be before the committee again.

Mr. GRIGGS. I have seen gentlemen leave this committee and expect to come back.

The CHAIRMAN. You need not be at all worried about Mr. Metcalf. Let us confine ourselves to the schedule now before the committee.

Mr. GRIGGS. I am very sorry that I wounded the chairman's feelings.

Mr. GAINES. You say that you export more than you import. What is the reason for asking a duty?

Mr. METCALF. We do not ask for a duty on binding twine.

Mr. GAINES. That you want free?

Mr. METCALF. Yes, sir.

Mr. GRIGGS. On account of my fear of wounding the sensibilities of the chairman I did not go quite as far as I would like. I wanted to talk over free jute bagging with you.

Mr. METCALF. I am perfectly willing.

The CHAIRMAN. Bagging is in this schedule.

Mr. GRIGGS. Then, what do you say?

Mr. METCALF. I do not think you can afford to put jute bagging on the free list. Jute bagging is a coarse product. I am not familiar enough with the subject to answer as other gentlemen are. It is a coarse product and it has to be manufactured with high-priced labor.

Mr. GRIGGS High labor with a coarse product?

Mr. METCALF. It is produced from the lowest-priced raw vegetable fiber known and sells at a very low price and the protection is not more than sufficient, I believe, to offset the labor cost between this country and Europe. That is my opinion. I do not claim to know very much about the subject.

Mr. GRIGGS. What is going to protect the farmer, who grows cotton and who must have jute bagging with which to cover it, from the low labor of Egypt and India?

Mr. METCALF. I think the gentlemen representing that industry can answer the question better than I can. The small duty is the only means we have to protect American labor against the low-priced labor in India.

Mr. GRIGGS. You think somebody else can tell better than you can how to protect the farmer against the low-priced labor of India?

Mr. METCALF. They can give the details better than I can.

Mr. GRIGGS. I want your opinion about it.

Mr. METCALF. I do not know of any other method to protect the labor of this country, who demand a reasonable wage which will give them the comforts of life which they now expect, except some protection in some form or other, even if it has to be by means of a tariff.

Mr. GRIGGS. You have free binding twine for the farmers of the West?

Mr. METCALF. We have.

Mr. GRIGGS. There is nothing that the farmers of the West must pay taxes on in connection with the gathering of their crops, is there, excepting implements, which we have to pay the same taxes on?

Mr. METCALF. But you do not pay any taxes on implements. If you want to discuss that question—

Mr. GRIGGS (interrupting). I do not want to discuss that question. Of course, on iron and steel there is a tax, and that makes a tax on the implements.

Mr. METCALF. Indirectly.

Mr. GRIGGS. But you can see as far back as I can?

Mr. METCALF. Indirectly.

Mr. GRIGGS. Why not give the farmers of the South, the growers of the one article that really makes the balance of trade in favor of this country with the balance of the world—why not give them free bagging?

Mr. METCALF. If you will allow me, the difference between binding twine, which we are asking to be placed on the free list, because it is on the free list, and bagging is this: That the labor in proportion to the cost of the finished product of binding twine is much less, in my opinion, than it is on bagging; consequently, there is necessity for more protection on bagging than on binding twine.

Mr. GRIGGS. That is it?

Mr. METCALF. That is my theory.

Mr. GRIGGS. Suppose we are selling cotton below the cost of production, which we are, do you not think we should have some help from the Government? You understand that individuals have come here asking help of the Government, like you folks.

Mr. METCALF. I would like to see every farmer in the United States get all the help necessary from the Government.

Mr. GRIGGS. All we want is an open and fair market with the rest of the world. Do you think we have it with a tax on jute bagging?

Mr. METCALF. It is not a very large tax, is it?

Mr. GRIGGS. It is large enough to make a difference in the price of cotton. The smallness of the crime does not mitigate it, does it?

Mr. METCALF. The bagging looks poor enough; there can not be very much duty on it.

Mr. GRIGGS. Do you not believe that we should have the same chance with the other farmers of the United States?

Mr. METCALF. Certainly; there is no question about that.

Mr. GRIGGS. You believe that?

Mr. METCALF. Certainly.

Mr. RANDELL. You are in favor of jute being on the free list?

Mr. METCALF. Yes, sir.

Mr. RANDELL. But you are in favor of a protective tariff on jute bagging?

Mr. METCALF. I am in favor of whatever is absolutely necessary to protect the labor of this country and to enable the manufacturers to pay the wages they have to pay, but there are gentlemen here who can give the details far better than I can.

Mr. RANDELL. I am speaking about jute bagging, the kind used in covering bales of cotton. You are asking that that be kept under a tariff?

Mr. METCALF. I am not asking for it, because I am not appearing on that subject.

Mr. RANDELL. But you want the jute manufacturers protected?

Mr. METCALF. I say it is necessary.

Mr. RANDELL. Is this bagging manufactured in this country?

The CHAIRMAN. We are going to have a dozen witnesses, more or less, who are connected with that business. Mr. Metcalf is not in that business.

Mr. RANDELL. In the interest of time I will wait.

Mr. GRIGGS. Mr. Metcalf has already stated that he was in favor of according all the farmers of the Union the same treatment. That is true?

Mr. METCALF. Yes, sir; that is right. There is no reason why one side should be protected against the other.

EXHIBIT A.

WASHINGTON, D. C., November 30, 1908.

HON. SERENO E. PAYNE,

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

DEAR SIR: The subscribers entirely agree with the remarks and brief filed by Col. E. D. Metcalf on the matter concerning binder twine and rope generally, with this exception: That they object to having the word "manila" inserted in paragraph 491 of the Dingley tariff act. We are strongly of the opinion that this word should not be inserted, but that the section referred to should remain exactly in its present shape. Our reasons for this objection is that we are fearful that manila yarns of any grade may be imported into this country as binder twine under the free list and be used in the manufacture of rope. This is not a theory but a fact, from the fact that the same state of affairs exist in other countries where binder twine is on the free list.

Respectfully,

WILLIAM W. FITLER,

President of The Edwin H. Fidler Company, Philadelphia.

L. O. IVEY,

Treasurer of Whitlock Cordage Company, New York City.

LINEN THREAD AND YARN.

[Paragraphs 330 and 331.]

THE ROCHESTER THREAD COMPANY, ROCHESTER, N. Y., ASKS A REDUCTION OF DUTIES ON LINEN THREAD AND YARN.

ROCHESTER, N. Y., *November 30, 1908.*

We herewith submit to your committee our argument in favor of a reduction in the tariff on linen thread and yarn.

At present 80 per cent of the entire trade is controlled by the Linen Thread Company, 15 per cent by two independent mills, and about 5 per cent by the importers.

Herewith we give you a note of the sizes most in use in the shoe trade:

	Cost in Ireland.	Cost in United States.	Specific tariff.	Selling at per pound.
No. 1, 14 yarn.....per pound..	\$0.40	\$0.47	\$0.194	\$0.80, less 5 and 6 per cent, 10 days.
No. 2, 19 yarn.....do.....	.43	.53	.23	\$1. less 5 and 6 per cent, 10 days.
No. 3, 19 yarn.....do.....	.48	.58	.23	\$1.10, less 5 and 6 per cent, 10 days.
No. 4, 21 yarn.....do.....	.53	.64	.25	\$1.20, less 5 and 6 per cent, 10 days.

It must be borne in mind that the figures given as cost in the United States include 10 per cent mill profit. These are the figures at which goods are billed by the various mills in the combination to the selling agents—The Linen Thread Company, New York City—so that the actual difference in the cost of production in Ireland and the United States is not over 6 cents per pound, despite the great difference in wages. Production in the United States is considerably greater per hand than it is on the other side. To recapitulate, thread costing the Linen Thread Company 47 cents sells at 71 cents net per pound; thread costing the Linen Thread Company 53 cents sells at 90 cents net per pound; thread costing the Linen Thread Company 58 cents sells at 98 cents per pound, and thread costing the Linen Thread Company 64 cents sells at \$1.08 net per pound. The selling figures can be easily verified by applying to any shoe factory, and the price lists which we attach to these sheets will show that all the mills in the combination quote the same figures, which are open and above-board and known by all the trade.

As for the cost prices, we suggest that your honorable committee call for the cost clerk of the Linen Thread Company, and after putting him on oath we think it will be found that the prices to-day quoted vary very little from the figures we have given.

We attach to this an invoice we received from a British manufacturer, dated October 26, amounting to £108, or \$520. Also, we attach the customs receipt which, as you will see, cost us \$259.71, or almost 50 per cent on the total amount of the bill.

The present tariff enables the combination practically to control the trade of the United States, and it also puts them in a position to shut out entirely, if they cared to do so, the foreign manufacturers

by a slight reduction in their present selling prices. There have been three advances in linen thread in the last two years. The brand which now sells at \$1.20 per pound used to sell at \$1.10 less 5 per cent, and 5 per cent and 5 per cent, thirty days. One of these discounts was eliminated; the price list was then advanced to \$1.15, and in May, 1907, to \$1.20 less 5 per cent, and 5 per cent, thirty days. All the other brands have had a corresponding advance, and we argue that these advances were entirely uncalled for by any rise in raw material or advances in wages. The combination consists of the following mills: William Barbour & Sons, Lisburn, Ireland; Barbour's Flax Spinning Company, Paterson, N. J.; Finlayson, Bousfield & Co., Johnstone, Scotland; Finlayson's Flax Spinning Company, Grafton, Mass.; Dunbar, McMaster & Co., Gilford, Ireland; Dunbarton Flax Spinning Company, Greenwich, N. Y.; W. K. Knox, Kilbirnie, Scotland; Marshall & Co., Newark, N. J.; F. W. Hayes & Co., Banbridge, Ireland; Boston Thread and Twine Company, Boston, Mass.; Allentown Spinning Company, Allentown, Pa. The production of all these mills is sold in the United States only through the Linen Thread Company, of New York City. We assert that this is one of the largest combinations in the United States, and that the tariff enables them to do as they please with regard to prices.

As the case stands at present it is impossible to import 14-lea thread and sell at a profit, and the margin on 19 lea and 21 lea is so close that a reduction in price on this side by the Linen Thread Company would wipe out the importers entirely.

Instead of the present tariff, which begins, "13 cents per pound on 5 lea and an advance of three-fourths cent per pound for every lea additional," we suggest two alternative plans to your committee.

Plan No. 1.—Let the present tariff of 13 cents on 5 lea remain, and instead of the additional tax of three-fourths cent for each lea over, let this be one-fourth cent. This would bring 14 lea to 15½ cents, instead of \$0.19¾ per pound, as at present, and 19 lea to \$0.16½, instead of \$0.23½, as in the Dingley tariff. This would give a protection on 19 lea equivalent to 33 per cent on the cost in Great Britain, and we have shown that the difference between the cost of manufacturing on this side and in Ireland is less than 10 per cent.

Plan No. 2.—Make the present tariff on 5 lea \$0.03 per pound, instead of \$0.13, and advance after it the present price of three-fourths cent for each additional lea. This would make the tariff on 14 lea \$0.09¾, instead of \$0.19¾, and on 19 lea \$0.13½, instead of \$0.23½. This would give a protection of over 25 per cent on the cost in Ireland and would be more than ample to protect American manufacture.

This latter plan would practically mean a reduction of \$0.10 per pound on the present tariff, which, we think, is not too much to ask.

To show that the Linen Thread Company occupy a very strong position, we may say that in the past five years they have compelled the various manufacturers of fish nets to become a part and parcel of the Linen Thread Company. Fishermen on this side have generally demanded nets made out of Knox's thread, and the Linen Thread Company, which controls this thread, has been able to use this as a club over the heads of the netmakers refusing to supply Knox thread to anyone outside the combination. Several of the netmakers here went against this for a time, notably the Starer Net and

Twine Company, of East Hampton, Conn., and the H. G. & W. Lord Company, of Boston, Mass., but they have finally had to succumb.

We submit that a combination controlling the output of various foreign and American mills is not in need of a tariff which is almost prohibitive. It is a fact that the Linen Thread Company owns stock in the largest linen thread mill in this country, which is supposed to be independent and which is not actually a part of the combination.

Since the formation of the combination a great many economies have been put into effect, notably in the cost of manufacturing as well as in selling expenses. One mill which, while independent, used to make \$400,000 worth of thread per annum and now makes \$600,000, and another which made \$250,000 now makes \$400,000, an increased turn off of about 50 per cent, and this without hiring an additional hand.

This, of course, lessens the cost of manufacturing considerably. When the four mills were selling independently on this side, each of them carried stock in New York, Boston, Chicago, St. Louis, and San Francisco, and each had traveling men going over the territory. But with the advent of the combination all the stores in the various cities were turned into one, and a much smaller force is used to sell the products of the various mills. None of these economies have resulted in any advantage to the trade. To-day the shoe manufacturers pay considerably more for thread than when the various mills were independent and this, notwithstanding the fact that the cost of making and selling the thread is less than it was some years ago. A reduction on the tariff would certainly benefit the shoe factories, all of which are large users of linen thread. A tariff of 25 per cent ad valorem on linen thread and yarn would be ample protection for the manufacturers and do away with the present specific schedule which necessitates the examination and sizing of all thread.

ROCHESTER THREAD CO.

WILLIAM BARBOUR, REPRESENTING THE LINEN THREAD COMPANY. NEW YORK CITY, WRITES RELATIVE TO POSSIBLE JAPANESE COMPETITION.

NEW YORK, *December 11, 1908.*

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

DEAR SIR: I trust when Schedule J is being considered by your committee that you will bear in mind the fact that there is a concern in Japan, known as the Japanese Flax Manufacturing Company, with a capital of £600,000, controlling some 25,000 acres where flax is cultivated; and that this concern have 18 flax scutching mills of their own. We have only recently met with competition on the Pacific coast from this source, and I can not say, at the moment, that it is competition we are anxious about, but it might be very serious, as the Japanese have very cheap wages, as you know, and it is one additional thought in connection with the protection we ask.

Very truly, yours,

WM. BARBOUR.

THE ROCHESTER (N. Y.) THREAD COMPANY FILES SUPPLEMENTAL STATEMENT RELATIVE TO CLASSIFICATION OF LINEN THREADS, TWINES, AND CORDS.

ROCHESTER, N. Y., *December 10, 1908.*

CHAIRMAN OF WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIR: We desire to take this opportunity of answering the argument made by George F. Smith on behalf of the spinners of flax, hemp, and jute. Mr. Smith recommended that paragraph 330, Schedule J, be changed to read as follows:

Threads, twines, or cords made from yarn not finer than five lea or number, ten cents per pound.

If made from yarn finer than five lea or number, thirteen cents per pound and three-fourths cent per pound additional for every lea or number in excess of five.

In other words, Mr. Smith wishes the tariff which applies to linen thread to be left as it was before. We can see very good reasons why Mr. Smith and the mills he represented should be perfectly satisfied with the tariff as it is. It has enabled them to shut out almost entirely foreign competition, and in addition it has helped them to form what is known as "the linen thread trust," which is a combination of five of the largest mills in the United States. The fact that Mr. Smith, who presumably represents an independent mill—Smith & Dove, of Andover, Mass.—made the argument for the trust would show that there is a working agreement between them.

Out of 24 mills signing the statement there are only 7 making linen thread and the rest manufacture coarse twines.

The latter part of paragraph 330 does not apply to them at all.

In speaking of competition from abroad Mr. Smith said this was in Nos. 14, 16, 18, 20, and 25, but he failed to state that fully two-thirds of the importations in these numbers are brought in by the Linen Thread Company from one of their Scotch mills, so that the figures do not represent competition with the trust as far as outside importers are concerned.

One of the mills in the combination, W. & J. Knox, of Kilburne, Scotland, has a trade in the United States amounting to about \$150,000 per year, and this must be deducted from the total importations which Mr. Smith gave as about \$200,000 or \$300,000.

As we have before stated, linen thread has advanced without any cause three times in the last two years, so that it is now at the highest figure it has ever reached. Mr. Smith's reason for not wishing free raw material is because the combination is satisfied to let well enough alone. They had no objection to two of their workmen appearing before your committee to ask for an advance on hackled flax, so that the workingman might derive some benefit from the advance in the tariff. To the outsider it would seem as though with free raw material the spinners would be in a position to satisfy the desires of these workmen for a slightly increased wage, and it is certain that your committee would do no injury to the farmer on this side, as flax has never been raised satisfactorily for fiber on this side and it is not likely it ever will be.

Mr. Smith stated that the total business in linen thread was \$2,500,000 per year, but we are of the opinion that he understated the figures. The output of the mills is as follows: Barbour's Flax Spinning Company, \$1,500,000; Finlayson's Flax Spinning Company, \$750,000; Marshall Company, \$700,000; Dunbarton Flax Spinning Company, \$400,000; Boston Thread and Twine Company, \$250,000; and if the output of Smith & Dove is added to this, viz, \$600,000, it will be seen that the total is well up to \$5,000,000.

Mr. Smith admits competition of about \$300,000 per year and after we have deducted the amount sent in by W. & J. Knox to the combination we find that about \$150,000 remains, which is sold by the importers, and we think this is a very small amount.

Mr. Smith said the manufacturers were satisfied to let the present tariff, which he says is equal to 33.66 per cent, remain as it is. We suggest that your committee reduce this to 20 per cent or 25 per cent ad valorem, so as to give at least the opportunity for more active competition.

If it is necessary to make a similar statement under oath before your committee, we will be glad to appear before you.

ROCHESTER THREAD CO.
ROBERT CROTHERS.

LINEN YARNS AND UNDERWEAR.

[Paragraphs 331 and 347.]

**THE LINEN UNDERWEAR COMPANY, OF GREENWICH, N. Y.,
ASKS THAT PRESENT DUTY ON LINEN YARN BE RETAINED
AND DUTIES ON UNDERWEAR INCREASED.**

GREENWICH, N. Y., *November 30, 1908.*

WAYS AND MEANS COMMITTEE,

House of Representatives,

Washington, D. C.

GENTLEMEN: The Linen Underwear Company, of Greenwich, N. Y., manufactures pure linen mesh underwear, and its raw material is entered under the last section of paragraph 331 in the Dingley tariff bill as follows: "finer than eighty lea or number, fifteen per centum ad valorem," which refers to single yarns in the gray, made of flax, hemp, or ramie.

These fine numbers of linen yarn were not then, nor are they now, spun in any American factory, nor do these enter into competition with the product of any American factory, but are extensively used in the manufacturing establishments of the United States for weaving into fine linen, for knitting into underwear and numerous other products, and as the attempts to produce these fine yarns have always ended in failure owing to climatic or other conditions, it is unlikely that any future attempts will be made; hence we ask that these yarns remain at the present rate of 15 per cent ad valorem.

We also request that the manufacture of linen underwear in this country be encouraged by an adequate protective tariff. This kind of underwear has been in use for some eight or ten years, first in a

small way as an experiment, but within the past five years the consumption has amounted to between four and five million dollars, not more than 10 per cent being made here owing to inadequate protection; the largest distributor, although an American citizen, finds it cheaper to produce the articles abroad owing to the high labor cost incurred here. We therefore suggest the following additions to Schedule J:

Fabrics, knitted or woven, or otherwise manufactured in mesh form, when composed of flax, hemp, or ramie, or other vegetable fiber, or of which these substances are the component part of chief value, when weighing more than eight ounces per square yard, thirty-five cents per square yard and thirty-five per cent ad valorem; when weighing more than six ounces per square yard and not more than eight ounces, thirty cents per square yard and thirty-five per cent ad valorem; when weighing more than four ounces per square yard and not more than six ounces, twenty-five cents per square yard and forty per cent ad valorem; when weighing four ounces or less per square yard, twenty cents per square yard and fifty per cent ad valorem.

Shirts and drawers, pants, vests, union suits, combination suits, tights, sweaters, corset covers, and all underwear of every description made wholly or in part on knitting, netting, or weaving machines or frames, or made by hand, finished or unfinished, composed of flax, hemp, or ramie, or of which these substances or either of them is the component material of chief value, valued at not more than eight dollars per dozen, four dollars per dozen and in addition thereto forty per cent ad valorem; valued at more than eight dollars per dozen and not more than twelve dollars per dozen, six dollars per dozen and in addition thereto forty per cent ad valorem; valued at more than twelve dollars and not more than sixteen dollars per dozen, eight dollars per dozen and in addition thereto forty per cent ad valorem; valued at more than sixteen dollars per dozen, ten dollars per dozen and in addition thereto forty per cent ad valorem.

Under the Dingley bill the present imports are assessed under schedule 347, which provides a duty of 45 per cent ad valorem, and this rate is not sufficient to cover the difference between the wages paid in Germany, Sweden, Denmark, and England to those employed in linen underwear factories and the larger wages paid employees in the factories of the United States, the labor cost here being from two to three times greater than in Europe.

We desire to draw attention to the fact that linen underwear may be classed among the luxuries, its high price and quality placing it within the means only of the more wealthy consumers, and we have always understood that in tariff bills it was desirable to place the taxation where it could be most easily borne.

There are no reasons that we are aware of why these goods, now made almost entirely in foreign mills, can not be made at home, and in no industry could a tariff be used with better effect to encourage native manufacturers.

We may add that several American factories which were engaged in the manufacture of linen underwear have been forced to close or suspend owing to foreign competition, and those still remaining are engaged in a struggle for existence, due to the activity of foreign houses in their efforts to control the American business.

Yours, very respectfully,

THE LINEN UNDERWEAR COMPANY,
LE ROY THOMPSON, *President*.

**THE LINEN UNDERWEAR COMPANY, GREENWICH, N. Y., FILES
SUPPLEMENTAL BRIEF RELATIVE TO FOREIGN WAGES.**

GREENWICH, N. Y., *December 10, 1908.*

The WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: In filing this supplemental brief on the subject of increased duties on linen mesh cloth and linen mesh underwear, we beg to state that wages paid employees in America and foreign countries compare as follows:

Average wages of men, women, girls, and boys paid in our factory is 17.3 cents per hour, and we are informed that similar hands are paid in Germany 7 cents, in England 8 cents, in Sweden 6 cents, and in Denmark about 6 cents per hour for the same kind of work. We also use linen cloth and laces for trimmings which bear duties varying from 35 to 60 per cent ad valorem, and which comprise a considerable part of the cost of product.

One of the principal items in developing linen underwear business is the cost of advertising, and all the foreign houses advertise their products liberally, because they have a considerable margin between the cost of goods with duty added and their selling price, whereas none of the American mills, owing to the higher cost of their products, are able to advertise, or those American mills who have followed the lead of the foreign house in advertising have failed or suspended business. We do not ask that these foreign houses be penalized for advertising, but that our business be protected by adequate duties, so that we can afford to advertise as foreigners do and still pay the higher American wages.

We have been operating since 1903, but in that time have paid only one dividend, that being 5 per cent, and although our mills are well built, equipped with the most modern machinery, and operated by skilled hands, yet we can not increase our product owing to the lower selling prices of foreign mills.

We further state that ten or eleven American mills manufacturing cotton and woolen underwear have tried the making of linen underwear owing to the increasing demand for it, and although these factories are leaders and successful mills in their own products they gave up their endeavors to make linen underwear owing to inability to compete with foreign mills who do not pay the American rate of wages.

We therefore earnestly hope that a sufficient duty will be placed on this article of luxury so that it can be manufactured in part at home, and thus in time lessen the foreign import price.

Yours, very respectfully,

THE LINEN UNDERWEAR CO.,
By LE ROY THOMPSON, *President.*

MATTINGS.

[Paragraph 333.]

STATEMENT OF JOHN N. BOYD, OF NEW YORK CITY, ASKING FOR
A READJUSTMENT OF TARIFF ON STRAW MATTINGS.MONDAY, *November 30, 1908.*

Mr. BOYD. I am here representing Joseph Wild & Co., of New York City.

We ask for a readjustment of the tariff in striking out this dividing line between 3 cents a yard and 7 cents.

The CHAIRMAN. What paragraph is this?

Mr. BOYD. Schedule J, paragraph 333.

We claim the dividing line of 10 cents per square yard works greatly to the disadvantage of the consumer by preventing 50 per cent of the present Japanese mattings imported from being of a desirable quality, both in weight and manufacture; those goods, costing 10 cents per square yard at port of shipment, pay 3 cents per square yard duty, and goods fractionally higher have to pay 7 cents per square yard and 25 per cent ad valorem, or a compound rate of about 10 cents per square yard, an advance or difference in the duty of over 200 per cent, equaling 6½ cents per square yard additional duty.

I might submit for your consideration the following example: A roll of matting that first cost in Japan 7.70 yen plus the duty and packing charges of 0.30 sen has a total duty of \$1.20 a roll, or 3 cents a yard, while a roll costing 7.80 yen with packing charges of 0.30 sen would give a duty of \$3.80 a roll, an additional duty of \$2.60 on a matting that costs just 5 cents per roll more.

Mr. DALZELL. You want the same duty on all, do you?

Mr. BOYD. Yes, sir; a straight single duty of 3 cents per yard.

There is practically no matting brought into this country from Japan, the first cost of which is over 10 cents per yard. We claim that by widening the range of the market value it will allow better goods to be made and imported at the same cost to the consumer without decreasing the revenue. At the present time, according to the statistics, there is about 1 per cent of the matting coming into this country that pays a high rate of duty—7 cents a yard and 25 per cent, which really amounts to nothing in the way of income to the Government.

Another hardship which the present tariff imposed upon the importer is the risk in buying the best grade of China matting. This matting has to be contracted for about ten or twelve months in advance of time of shipment, at a price agreed upon on a silver basis between the manufacturer in China, the Chinese manufacturer, and the American importer, and there is always a possibility that at the day of shipment (the rate ruling on date of shipment is what the Government bases the dutiable value on) silver may have advanced so as to bring the dutiable cost at above 10 cents per yard gold, thus subjecting the mattings to the high duty, with consequent heavy losses to the importers through the advance in exchange over which they had no control.

The Hongkong dollar, in which currency the Chinese matting is purchased, is subject to serious fluctuations, as shown by the Treasury valuation, as follows: October, 1907, .538; January, 1908, .463; April, 1908, .439; July, 1908, .423; October, 1908, .412.

From the above fluctuations it will be seen that the mattings cost 26½ cents in Hongkong currency in October, 1908, and would pay 3 cents a yard duty, and that mattings purchased in July, 1908, at 26½ cents, Hongkong currency, would have to pay the high duty of 7 cents per yard and 25 per cent ad valorem.

We cite an example in our brief which we intend to file, showing that although both the first cost in Hongkong currency per yard is the same, the price of silver ruling on day of shipment might compel us to pay a duty of 7 cents per square yard and 25 per cent ad valorem instead of 3 cents per square yard. These contracts are made long in advance of the day of the shipment of the goods, and we have no control over the ruling rate of exchange on the day of shipment.

It has happened on many occasions that goods purchased to be shipped on a low-duty basis could not be forwarded, owing to the fluctuations in silver, and have been stored in China at heavy expense to await a fall in the silver, or are sold at a loss.

There was one time during the importation of these goods that we had goods held in China for almost a year, pending a decision of the Treasury Department. All these unnecessary losses are caused by the present tariff, which was framed at a time when mattings were on the free list, and the effect of duties on mattings was little understood, either by Congress or the trade.

I submit these suggestions for your consideration, and further suggest as a remedy that a single specific duty be placed on all grades of China, Japan, and India straw mattings, worded about as follows:

Floor mattings, mats, and rugs, plain, fancy, or figured, manufactured from straw, round or split, or other vegetable substances not otherwise provided for, and having a warp of cotton, hemp, or other vegetable substances, including what are commonly known as China, Japan, and India straw matting, 3 cents per square yard.

The duty paid on this kind of matting should be for revenue only.

In presenting this matter I beg to suggest that it was unanimously adopted at a meeting held in New York on the 23d day of November, 1908, at which representatives of the following firms were present—

The CHAIRMAN. You need not read those. Just submit them when you prepare your brief, and we will print them in the record.

Mr. DALZELL. They are all importers of course?

Mr. BOYD. Yes, sir; they are all importers.

The CHAIRMAN. Those names will show in the record if you include them in your brief. You think if you get a duty of 3 cents a yard on those above 10 cents the importations will be as great as they are now on those under 10 cents with a duty of 3 cents a yard?

Mr. BOYD. We think we will have a wider range of grades.

The CHAIRMAN. Those better ones will be as freely imported as the others?

Mr. BOYD. No, sir.

The CHAIRMAN. There is a pretty free importation at 3 cents a yard, is there not?

Mr. BOYD. We will stand 3 cents a yard—

The CHAIRMAN. You did not understand my question. There is a pretty free importation at 3 cents a yard, is there not?

Mr. BOYD. Yes, sir. There are about 1,200,000 rolls imported.

The CHAIRMAN. Forty-four million square yards worth \$3,617,000, producing revenue amounting to \$1,000,715.

—

BRIEF FILED BY JOHN N. BOYD, NEW YORK CITY, REPRESENTING IMPORTERS OF STRAW MATTINGS.

NEW YORK, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: As importers and distributors to the retailers, and consequently coming in direct touch with the consumers of what are known as China and Japan mattings and matting rugs, we ask your consideration to a readjustment of the present tariff on these articles, which reads as follows:

Schedule J, paragraph No. 333.—Floor mattings, plain, fancy, or figured, manufactured from straw, round or split, or other vegetable substances not otherwise provided for, including what are commonly known as Chinese, Japanese, and India straw mattings, valued at not exceeding ten cents per square yard, three cents per square yard; valued at exceeding ten cents per square yard, seven cents per square yard and twenty-five per centum ad valorem.

So that it will read:

Schedule J, paragraph No. 333.—Floor mattings, mats, and rugs, plain, fancy, or figured, manufactured from straw, round or split, or other vegetable substances not otherwise provided for, and having a warp of cotton, hemp, or other vegetable substances, including what are commonly known as China, Japan, and India straw matting, three cents per square yard.

We claim that the above dividing line of 10 cents per square yard works greatly to the disadvantage of the consumer by preventing, say, 50 per cent of the present Japanese mattings imported from being of a desirable quality, both in weight and manufacture, as goods costing 10 cents per square yard at port of shipment pay 3 cents per square yard duty, and goods fractionally higher have to pay 7 cents per square yard and 25 per cent ad valorem, or a compound rate of about 10 cents per square yard, an advance or difference in the duty of over 200 per cent, equaling $6\frac{1}{2}$ cents per square yard additional duty. As per following example:

One roll, first cost in Japan 7.70 yen; dutiable packing charges, 0.30 yen; total, 8 yen; duty, \$1.20 per roll.

At exchange \$0.498=\$3.984 gold, or 9-71/100 cents per square yard.

The above pays 3 cents per square yard duty.

One roll, first cost in Japan, 7.80 yen; dutiable packing charges, 0.30 yen; total, 8.10 yen; duty, \$3.80 per roll.

At exchange \$0.498=\$4.03 gold, or 10-75/1,000 cents per square yard.

The above pays $9\frac{1}{2}$ cents per square yard duty, being 7 cents per square yard and 25 per cent ad valorem.

This example shows that a roll costing only 5 cents gold more, equaling one-eighth of a cent a yard at port of shipment, pays \$3.80 duty, against \$1.20 duty for the roll costing only 5 cents less.

The latter is a prohibitive duty on medium-grade mattings, and also prevents competition among the manufacturers in Japan in producing the best value for a given price, and as importers can not pay more than 10 cents market value at port of shipment, the result is that the lower grades are all enhanced in value to the disadvantage of the American consumer.

There is practically no matting brought into this country from Japan the first cost of which is over 10 cents per yard. We claim that by widening the range of the market value it will allow better goods to be made, and imported at the same cost to the consumer, without decreasing the revenue.

Another hardship which the present tariff imposes upon the importer is the risk in buying the best grade of China matting known as "116 warp." As this matting has to be contracted for about a year in advance of shipment, at a price agreed upon on a silver basis between the Chinese manufacturer and the American importer, there is always a possibility that at the day of shipment (the rate ruling on date of shipment is what the Government bases the dutiable value on) silver may have advanced so as to bring the dutiable cost at above 10 cents per yard gold, thus subjecting the mattings to the high duty, with consequent heavy losses to the importers through the advance in exchange over which they had no control.

As per the following examples:

The Hongkong dollar, in which currency the China matting is purchased, is subject to serious fluctuations as shown by the Treasury valuation:

October, 1907, .538; January, 1908, .463; April, 1908, .439; July, 1908, .423; October, 1908, .412.

From the above fluctuations it will be seen that the mattings costing 26½ cents Hongkong currency in October, 1908, would pay 3 cents per yard duty, and that mattings purchased in July, 1908, at 26½ cents Hongkong currency, would have to pay the high duty of 7 cents per yard and 25 per cent.

Example.

	July.	October.
	<i>Cents.</i>	<i>Cents.</i>
Mattings cost per yard, Hongkong currency.....	26.125	26.125
Cost per roll of 40 yards.....	10.45	10.45
Less 2 per cent discount.....	.21	.21
	10.24	10.24
Less nondutiable charges.....	.54	.54
	9.70	9.70
Exchange of Hongkong dollar.....	.423	.412
Per roll, gold.....	4.10	3.99
Per yard, gold.....	.1025	.0999

Owing to the difference in the market value of silver (the exchange was .423 in July, 1908, against .412 in October, 1908), mattings of the same first cost price pay 7 cents per square yard and 25 per cent ad valorem in one instance and only 3 cents per square yard in the other.

It has happened on many occasions that goods purchased to be shipped on the low duty basis, could not be forwarded, owing to the fluctuations in silver, and have been stored in China at heavy expense to await a fall in the price of silver, or sold at a loss.

The result of this is to compel the importer to take lower-grade mattings at a higher-grade price, thus increasing the cost to the public for an inferior article.

All these unnecessary losses are caused by the present tariff, which was framed at a time when mattings were on the free list and the effect of duties on mattings was little understood either by Congress or the trade.

We respectfully submit these views for your consideration, and suggest as a remedy that a single specific duty be placed on all grades of China, Japan, and India straw mattings, and worded as follows:

Schedule J, paragraph No. 333.—Floor mattings, mats, and rugs, plain, fancy, or figured, manufactured from straw, round or split, or other vegetable substances not otherwise provided for, and having a warp of cotton, hemp, or other vegetable substances, including what are commonly known as China, Japan, and India straw matting, three cents per square yard.

The duty paid on China, Japan, and India mattings should be for revenue only.

JOHN N. BOYD, of JOSEPH WILD & Co.,
JOHN C. WIRTZ, of SMITH, BAKER & Co.,
NELSON S. CLARK, of W. & J. SLOANE,

Committee.

In presenting this brief, we beg to mention that it was unanimously adopted at a meeting held in New York November 23, 1908, at which representatives of the following firms were present:

Jos. Wild & Co.,
Geo. B. Swayne Co.,
Akawa, Morimura & Co.,
W. & J. Sloane,
Delacamp & Co.,
Mitsui & Co.,
Winter & Smillie,

Smith, Baker & Co.,
Arnhold, Karberg & Co.,
Hadden & Co.,
Shewan, Tomes & Co.,
S. Hecht, jr., & Sons,
Carlowitz & Co.,
H. B. Claffin Co.

These firms come in contact with the entire matting trade of the United States. In addition to this we have received letters from Marshall Field & Co., Chicago; J. H. Pray & Sons Co., Boston; J. Kennard & Sons Carpet Company, St. Louis; D. N. & E. Walter & Co., San Francisco; all expressing strongly their convictions that the tariff on mattings should be made a straight specific one. This committee knows of no one in the trade throughout the country who is not in favor of the change suggested.

JOHN N. BOYD, *Chairman.*
JOHN C. WIRTZ.
NELSON S. CLARK.

**STATEMENT OF ROBERT DORNAN, OF PHILADELPHIA, PA., WHO
ASKS AN INCREASED DUTY ON STRAW MATTINGS.**

MONDAY, *November 30, 1908.*

MR. DORNAN. I come here as a representative of an American industry that has been almost driven out of existence by the importation of straw matting. I come here to protest against a continuance of the conditions that now exist.

The ingrain carpet industry in the year 1893 produced 50,000,000 yards of carpet annually, employing American labor at wages averaging over \$1.60 a day, including men, women, and children. For some years past the industry has been declining, and it is almost entirely due to the extreme growth of the importation of straw matting. In 1893 the importation of straw matting, the year in which 50,000,000 yards of ingrain carpet were produced, was only 8,000,000 yards. The increase began with the reduction in the value of silver, and followed the repeal of the Sherman act in which this country was concerned in buying silver. Prior to 1893 we had no duty on matting, but a parity of or comparative value that existed then between the value of gold and silver sustained the natural price of commodities from countries not on a gold standard, and we did not have the trouble that we have experienced since the change in values of the moneys of the world, and that trouble became emphasized during the operation of this Wilson bill.

The industry suffered then in common with all industries, because the purchasing power of the people had been very considerably destroyed. When the present Dingley bill was brought forward for consideration, we had an opportunity of learning what had been the effect of the difference in the values of exchange upon promoting the growth of these straw-matting importations from China and Japan. We placed the matter before the Ways and Means Committee and asked for consideration that would stem the tide of these importations and continue the ingrain-carpet industry in existence.

The Ways and Means Committee in their wisdom saw fit to place a duty of 10 cents a yard on straw mattings, and that would have been protective and would have preserved our industry, but the Senate thought otherwise, and instead of giving us a duty they proposed putting it on the free list. By efforts of Pennsylvania Senators and Representatives, we were able to secure a duty of 3 cents a yard on matting that cost 10 cents or less, and a duty of 7 cents a yard and 25 per cent ad valorem on those costing more than 10 cents. The fact is that the 3-cent duty, so far as it affects the cost of matting, does not apply at all, because through the operations of exchange the duty is neutralized and lost absolutely, and a part of the original value, say 25 per cent, is also lost, so a matting ordinarily costing 10 cents in Japan, valued in silver, Mexican dollar or Hongkong dollar, the fluctuation of which has been spoken of by the gentleman preceding me—that 10-cent matting, when brought to this country, is only 4½-cent matting, with 3 cents duty added, makes it 7½-cent matting, still 2½ cents less than its original cost. It must be borne in mind that the money of these countries, whether in silver or in depreciated currency, can still buy as much of commodities within their own country and as much labor within their own country as it ever did.

We are compelled to compete with conditions of that kind, and our industry has almost been destroyed. From producing 50,000,000 yards of ingrain carpet when the population was 55,000,000, to-day there are not more than 20,000,000 yards manufactured in the United States, notwithstanding an increase in population of 30,000,000. If our industry had been conserved we probably would be producing 75,000,000 yards for the use of the masses of this country. As it is we are producing a beggarly 20,000,000 yards. Some of the largest concerns in New England, in Lowell, for instance, where one concern

used to run 275 yard-wide looms on ingrain carpets, it does not now run over 50. Another corporation, the Hartford Carpet Company, had over 250 looms, and are not now running over 50. My own plant in Philadelphia, where we had 170, still has about 105 in existence. We moved 50 of them to Alabama, but that mill has been standing idle for about three years.

The CHAIRMAN. What would be the result of that break at 10 cents a yard and above, which is now 7 cents a yard and 25 per cent ad valorem, if it was reduced to 5 cents a yard and 15 per cent ad valorem.

Mr. DORNAN. The duty would be neutralized through the operation of exchange. Our money has more than doubled the purchasing power of the products of those countries. There would be no duty. The duty is absolutely wiped out. We would have no protection at all. The industry is going to pieces. We ask the Republican counsellors of the country to come to our relief and help reestablish the industry. The platform of the Republican party—

The CHAIRMAN. Never mind about the platform. We know what it is. We want to know about your business.

Mr. DORNAN. I appeal to the platform and stand on it. I am a good Republican.

Mr. DALZELL. Well, what is your suggestion with reference to change in this tariff?

Mr. DORNAN. My suggestion is the same suggestion I made eleven years ago to Chairman Dingley, to yourself, and to the present chairman—10 cents a yard on straw matting, no matter what it costs. The gentleman who preceded me said there was not 1 per cent of matting imported under the high duty. I know that to be a fact. I follow the statistics and know whereof I speak. I have an extract here from one of our trade publications that shows the volume of importations taken from our national figures for 1902 to 1906, inclusive. The maximum was reached in 1903, when there were 53,000,000 yards of straw matting imported into the United States, whereas ten years before that there were only 8,000,000 yards. Does anybody know where the importation of any other product exists that has increased more than sixfold in ten years?

We believe the imposition of a duty of 10 cents a yard on matting would help rejuvenate our industry and help give employment to many who have been in the meantime compelled to seek employment in other fields; to help me start up my mill in Alabama, that has been lying idle there for three years, and give employment to many down there. I hope you will give this matter serious consideration and understand the basic influence that operates to neutralize the duty altogether and a part of the original cost of the product as well. That same influence applies to any product that comes from any country not on a gold-standard basis, whatever it may be. Your fine oriental rugs from India and Persia and Turkey all suffer a loss in value through the enlarged purchasing power of gold exchange, and the duty is largely destroyed. It is up to you gentlemen to give this matter full consideration.

Mr. UNDERWOOD. What do you say is the total consumption of matting in this country?

Mr. DORNAN. Total importation?

Mr. UNDERWOOD. No; total consumption.

Mr. DORNAN. In 1893 it was 8,000,000 yards; in 1903 it was 53,000,000 yards.

Mr. UNDERWOOD. In 1907 what was it?

Mr. DORNAN. It was 46,000,000 or 48,000,000 yards. There has been some falling off since 1903.

Mr. UNDERWOOD. Nineteen hundred and seven is a very good year for us to estimate on.

Mr. DORNAN. There was a falling off incident to the war that was on between Japan and Russia that took away some of the labor from Japan and interfered with the product of matting, and that is why the volume has decreased.

Mr. UNDERWOOD. It was 48,000,000 yards in 1907—are you speaking of the importations or the consumption?

Mr. DORNAN. I am speaking of the importations, and I presume the consumption is based on the importation.

Mr. UNDERWOOD. Is none of it made here?

Mr. DORNAN. No; there is no straw matting made here. There have been attempts made at making it, but they have not been very successful. They make paper matting here.

Mr. UNDERWOOD. You want the duty made more than it is to-day?

Mr. DORNAN. We want a duty on this matting because through the operation of exchange we have no duty. The average purchasing power of our money—

Mr. UNDERWOOD. There is a duty of 35 per cent, as I understand it?

Mr. DORNAN. A duty of 3 cents a yard on matting, that is the duty.

Mr. UNDERWOOD. What does that amount to in ad valorem rate?

Mr. DORNAN. It amounts to 30 per cent on the 10-cent matting.

Mr. UNDERWOOD. Then you have had a duty on this of 30 per cent during the twelve years' existence of the Dingley law?

Mr. DORNAN. We had no duty at all. There has been a duty paid, but the amount of that duty was more than wiped out through the operation of exchange. Although the Government got revenue, the goods were brought here at one-half their normal cost.

Mr. UNDERWOOD. Well, you and I may differ on that, but from my standpoint the law says that you have got a duty.

Mr. GRIGGS. By the operation of exchange, you do not mean to say that the entire duty is wiped out?

Mr. DORNAN. So far as the cost is concerned, but in so far as the revenue to the Government is concerned, it is not wiped out.

Mr. GRIGGS. As I understand it, you buy, or the importer buys, on a silver basis.

Mr. DORNAN. Exactly.

Mr. GRIGGS. The goods are valued on a gold basis?

Mr. DORNAN. Exactly.

Mr. GRIGGS. Now, then, that makes one-half the duty wiped out; just about half.

Mr. UNDERWOOD. The actual amount going into the Treasury is 30 per cent on the goods, as assessed?

Mr. DORNAN. You are perfectly right.

Mr. UNDERWOOD. And, although this duty has existed for twelve years, this industry has had no chance to build up, there has been no chance to build up the straw-matting industry?

Mr. DORNAN. We do not grow the straw here.

Mr. UNDERWOOD. The raw material is grown abroad?

Mr. DORNAN. Yes, sir.

Mr. UNDERWOOD. And the skilled labor for this business is abroad?

Mr. DORNAN. Yes, sir.

Mr. UNDERWOOD. It is a business that is not developed by machinery?

Mr. DORNAN. Well, they have been undertaking to develop it by machinery, but it has not been a howling success.

Mr. UNDERWOOD. It has largely—

Mr. DORNAN. It is largely a hand-work business in China and Japan.

Mr. UNDERWOOD. Is not your proposition to put a tax on the American people to build up this industry a good deal like putting a tax on lemons in order to grow lemons in this country?

Mr. DORNAN. No; we are simply asking that we be allowed to rebuild an industry.

Mr. DALZELL. You mean the ingrain-carpet industry?

Mr. DORNAN. The ingrain-carpet industry. The way to do it is to put a continuing duty on it—either that or get China and Japan to go on a gold basis—and we will not have this contention to make.

Mr. UNDERWOOD. I may be dull—

Mr. DORNAN. You have not thought as much about it as I have—

Mr. UNDERWOOD. I do not see how the matting and the ingrain carpet have any particular relation—how one affects the other.

Mr. DORNAN. You have not thought about this subject as much as I have, and you have not had a mill close down in Alabama.

Mr. UNDERWOOD. That is why I am trying to get information—

Mr. DORNAN. And I am trying to give it to you.

So far as the value of the product is concerned, as I say, more than 25 per cent of the value of the product is wiped out and the whole amount of duty as well, and the Government gets the revenue. But my proposition is one that will give the Government threefold the present revenue if the volume of importation will be continued. My hope is that the volume of importation will be reduced and made at least one-half. That would give us an opportunity of rebuilding the ingrain-carpet industry.

Mr. UNDERWOOD. You mean the matting industry has taken the place of the ingrain-carpet industry?

Mr. DORNAN. Yes; the importations have increased over sixfold from 1893. We will give you ingrain carpet and linoleum and other clean and desirable floor coverings instead of the Chinese and Japanese grass matting.

Mr. DALZELL. This foreign industry of matting under present conditions has driven out the American industry of making ingrain carpet?

Mr. DORNAN. Indisputably, and we ask that we have a chance to build up that ingrain-carpet business again.

Mr. DALZELL. Have you prepared a brief?

Mr. DORNAN. I have not prepared one. I did not know that this schedule was to be considered until Friday night, and I did not have an opportunity, but with your permission I will be pleased to prepare a brief and put it in the hands of the committee at as early a date as possible. Are there any other questions?

Mr. UNDERWOOD. Is not that the proposition of the American people wanting matting and our putting a tax on matting and forcing them to take something they do not want?

Mr. DORNAN. No, sir; but it will permit the people to get matting at a fair price and will contribute to the building up of an American industry that has almost been forced out of existence. The cost of matting is more than cut in two by gold exchange.

Mr. UNDERWOOD. Well, on that proposition, if you can show me it would affect the revenues when we need revenues for the Government, I might be with you; but forcing the American people to buy one thing when they want another is something I would not be with you on.

Mr. DORNAN. If you cut the importation in two, on the basis of a 10-cent duty it will give you two-fifths more revenue than you have to-day.

Mr. RANDELL. What is it you are willing that the southern and western farmers should have for their consumption at the world's price and not have to pay a higher duty for in order to build up some industry in the North or East?

The CHAIRMAN. You do not suppose Mr. Dornan is going to agree with you on that proposition?

Mr. RANDELL. I asked him what article he was willing for us to have without paying tribute to the North or the East.

Mr. DORNAN. I am willing you should have anything that the farmer can buy or wants to buy.

Mr. RANDELL. You want to make him have an ingrain carpet, when the moths will eat up his carpet, and he wants matting.

Mr. DORNAN. No; we do not want to make him take anything that he does not want, but we want him to pay a fair price for the matting.

Mr. RANDELL. But you want him to pay more for his matting than he is paying now?

Mr. DORNAN. No, sir; we want him to pay a price not reduced by gold exchange.

Mr. RANDELL. You want him to pay more for his matting, do you not?

Mr. DORNAN. He ought to pay more, because he did not formerly get his matting, prior to 1893, as cheap as he does now, and then there was no duty on it at all. You fail to understand how gold exchange reduces cost.

Mr. RANDELL. You have not named any article yet that you think he ought to buy without paying more than the world's price for it, in order to build up eastern industries.

The CHAIRMAN. Let us discuss that somewhere else. You are not getting any information by such a question as that.

Mr. DORNAN. I am willing that the farmer should follow his own will and buy whatever he wishes.

STATEMENT OF JOHN C. WIRTZ, 85 WALL STREET, NEW YORK CITY, WHO THINKS THAT THE DUTY ON STRAW MATTINGS SHOULD NOT BE INCREASED.

MONDAY, *November 30, 1908.*

Mr. Chairman, I am one of the committee appointed by a meeting in the interest of the matting schedule—

The CHAIRMAN. Whom do you represent?

Mr. WIRTZ. I am one of the committee appointed by the matting interests. My arguments are the same as Mr. Boyd's, but inasmuch as I am called upon, I would like to answer some of the remarks that have been made by the last witness.

The last witness stated that the duty was cut in half by reason of the fact that China and Japan are on the silver basis; but Japan is on the gold basis, and produces 700,000 rolls of matting out of the 1,200,000. So his argument does not hold as to the greater amount of matting imported.

I happen to know, through contact with the trade, that ingrain carpets are practically an obsolete fabric. If a man goes into a store, or if our farmer friends go into a store to buy a floor covering, they have their own ideas of what they want, and I do not think any adjustment of the duty would compel them to buy anything they have used which they grew to dislike and which need they now supply with matting. It would be trying to force them to buy something that they have tried and found wanting.

The duty that is paid on the 1 per cent imported high-grade mattings only amounts to thirty or forty thousand dollars, and we do not believe that the change which we ask for will materially affect the importer or materially affect the revenues. We do not think it will do either one, but it will simply be in the line of harmony.

At the present time we are up against the proposition, so to speak, of whether or not our matting is within the 10 cents valuation, or whether it is just immediately above it, and that difficulty, which has caused the Government considerable expense, would be obviated; and, as far as I can see, it would not make any material difference to the importer or to the Government, and that ingrain-carpet industry, which has been protected for so many years at 3 cents without making any progress, can not, according to my humble notion, increase under a greater protection. It is not a matter of protection, but a matter of the likes of the consuming public.

Mr. RANDELL. Is the straw used in that industry all imported?

Mr. WIRTZ. The matting is all made in Japan and China, and the straw is grown under peculiar conditions.

STATEMENT OF R. H. SAWYER, OF MALDEN, MASS., REPRESENTING THE GOODALL MATTING COMPANY, OF KENNEBUNK, ME., MAKERS OF STRAW MATTINGS.

MONDAY, *November 30, 1908.*

Mr. SAWYER. Mr. Chairman and gentlemen of the committee, I represent the Goodall Matting Company, of Kennebunk, Me., a corporation engaged in the manufacture of floor mattings, known to the trade as "China mattings" and "Japanese mattings."

I am sorry that the ingrain-carpet man was not a little better posted on the matting business, because it seems he is not aware that there is any matting made in this country. The matting buyer that just preceded me made the same statement that it was all made in China and Japan, and that there was no grass grown here out of which this matting could be made—that it is all grown in China and Japan.

I stand here to refute these statements, and to say that we do make matting here, and that there is matting grass grown here; yes, raised in this country.

The CHAIRMAN. How long have you been making it?

Mr. SAWYER. It has been made here six years and more. It has been made in this country off and on for eight or ten years.

The importers who are represented by Mr. Boyd are honest enough to ask for just what they want. They are importers, and they ask for a duty for revenue only, to increase their trade. Now, I am glad to stand before you and to represent the American side of the question, the side that the Republican party stands for. Our working people ask your consideration of this question, and they ask for protection for this new industry, so that they may labor and be paid good wages, and to consider their interests, instead of the request of the importers you have just heard for free trade, or for tariff for revenue only, that the cheap labor of China and Japan may flood our markets with matting.

Our laboring people ask you for a protective duty, and at the same time I will state it will not increase the price to the consumer.

Their matting brief here calls attention to the fact that there is 3 cents duty on the low grades of matting and 7 cents and 25 per cent on the goods that cost 10 cents or more.

Now, we agree fully with the importers in their entire statement of this fact until they get down to the last four words of what they desire—and one figure, that there should be a specific per yard rate on matting, for I hardly think there is a man who knows what the matting costs on the other side, we never can find just what it costs on this side, provided the price is above the 10-cent limit.

To fix the foreign cost, to get the ad valorem rate, is rather a difficult question. This matting is bought through the native banto in Japan, or through the native comprador in China. How does this banto accomplish the object? He is given his order to buy a certain number of rolls of the better grade, and is told that he must not contract for it at a price that will exceed 7.70 yen or 7.90 yen, plus packing charges, 30 yen, and often less 2 per cent for cash.

Now, the very outside limit of 7.90 yen, plus packing charges 8.20 yen, less 2 per cent, equals 8.036 yen.

This is for 40 yards a roll.

Considering the exchange or price of the yen, as it is, 49.8 cents equals \$3.99869 gold for a roll of 40 yards, about thirty-one one-thousandths of a cent under \$4 a roll of 40 yards.

Thirty-one one-thousandth part of a cent to be divided by 40 yards would equal three-fourths of one one-thousandth part of a cent.

But the object is accomplished. This atom of a cent saves the importer from paying the ad valorem rate of 7 cents per yard and 25 per cent.

No one in the business believes this to be the foreign cost, but the Government can seldom prove it to be otherwise.

Now, how does this undervaluation happen? It all happens before the importer gets his invoice.

The banto, always a native, gets his orders to buy 1,000 rolls of this better grade of matting, and he finds that among the different patterns submitted to him he can place orders with different manufac-

turers who know that these patterns have been sold, delivered in the United States, all at low duty rate of 3 cents a yard.

The Japanese manufacturer knows he can not produce this grade at the limit price of yen 7.70 to 7.90, so he and the banto bow, and sit down, native fashion, and tea is brought in, and with much complimenting of each other they drink tea and talk.

This same banto may have 20,000 rolls or more to buy, of which 10 per cent is of the better grade.

After seeing several manufacturers he has succeeded in placing his orders for his exporting house in this way.

I will say I have been there and have talked with the Japanese farmer at his farm in the country. I have also talked with the Japanese manufacturer, and with an honest Japanese manufacturer, now out of business, and I have talked with the banto, and I have talked with the exporter in Japan. I have also talked with importers in the United States. I have talked with several of each class.

They all tell the same story. This matting must be invoiced under the 10-cent limit. This banto had about 10 per cent of the better grade to buy, none of which he could buy at the low-duty limit. He offers a trifle more for the 90 per cent on consideration that the higher grades be contracted for inside the limit, and the trick is done! The price is at a safe figure to beat the United States ad valorem duty, and all come in at 3 cents per yard.

The importer's broker on this side presents the invoice at the custom-house and swears it is the true foreign cost, and it usually passes. All this the importers and everybody else want to avoid, and it can be avoided by a specific tariff duty per yard.

Mr. UNDERWOOD. You are not contending for a raise, but to have a specific duty instead of an ad valorem duty?

Mr. SAWYER. I am contending for both, and I will say that this statement that I have made is simply in answer to the brief that the matting importers have filed here to-day.

I want to show you pictures of our looms and mill, and show you some mattings we made and some of the grasses.

This grass was raised in Texas this year [indicating].

That piece of matting was woven from Texas grass, a piece of matting that is all American. The cotton was grown here, the grass was grown here, the American laborer made it.

Mr. RANDELL. What is the name of the grass?

Mr. SAWYER. *Cyperus tegetiformis*.

The CHAIRMAN. What does this matting cost?

Mr. SAWYER. Twenty-nine cents a yard.

The CHAIRMAN. This looks very similar to some of the foreign mattings I have seen.

Mr. SAWYER. Here is the one you have in mind [indicating]. This was made in China.

The CHAIRMAN. How much is this Chinese matting, laid down in New York?

Mr. SAWYER. About 17 to 19 cents.

The CHAIRMAN. Without the duty paid?

Mr. SAWYER. With the duty, freight, and all paid.

The CHAIRMAN. How do you manage to sell any of yours, then?

Mr. SAWYER. Well, it is better. During 1906, when exchange was up, the price of this foreign matting was 29 cents. To-day it is 17 cents.

Mr. FORDNEY. Has it been reduced in price since you began the manufacture of yours?

Mr. SAWYER. No, sir; only in the way of exchange. When exchange is above 50 that matting can not be brought in, if honestly valued, at 3 cents a yard. It can be brought in the way they do it, by averaging the prices, putting the low grades up and the high grades down.

The CHAIRMAN. What grass is that?

Mr. SAWYER. Texas grass, raised at Pierce, Tex., grown by the United States Department of Agriculture.

The CHAIRMAN. It would be a splendid industry for Texas to make this matting, would it not?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. Make it where this grass is raised, in Texas?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. It would be a fine industry for Texas?

Mr. SAWYER. Yes, sir; it would.

The CHAIRMAN. I wonder they have not had enough enterprise to get hold of it.

Mr. SAWYER. Let me tell you, this is a larger subject than, I am afraid, you have in your mind. The first roots to come to this country I brought myself in 1903. I interested Secretary Wilson in the project of raising the grass in this country, and ever since then the Agricultural Department has been interested and given attention to the raising of this grass. There it is, gentlemen.

Mr. RANDELL. Do you know how much it costs to raise this grass in Texas?

Mr. SAWYER. No; I do not.

Mr. RANDELL. Then you do not know that it will be a fine industry there?

Mr. SAWYER. All mattings imported are made on wooden looms, operated by hand and foot power, called hand looms. It has been the desire of inventors in this country to build power looms that would weave these mattings. Many years and much money has been spent by different men trying to build power looms that would weave them, and of a better grade than is now on the market from China and Japan. Nearly thirty years and over \$500,000 has been spent to obtain this result. We have spent nearly \$100,000 and over six years in perfecting the looms.

We now have 123 looms, and are making a better grade of matting than can be produced on the hand looms of China or Japan, so conceded by retailers and consumers—a splendid matting, well worth the price and of full value. We have succeeded in inventing and building matting looms that weave this first-class matting, and have woven thousands of rolls.

Exchange.

Rates of foreign exchange play a very important part in making the duty rate on the better grades of these mattings; where there is a compound rate of duty, and I think we all agree (importers, jobbers, retailers, and manufacturers) that there should be a specific per yard duty on mattings. At the present rates very little matting pays the higher rate of 7 cents per yard and 25 per cent ad valorem. Im-

porters say 1 per cent, so testified to-day. The great struggle is made to get the foreign cost a trifle less than 10 cents per square yard, so it can come in and only pay the 3-cent rate, and the consequence is that when exchange is up, as in 1906 and first of 1907, the lower grades are marked up a little and the better grades are marked down to a fraction below 10 cents per yard, that all may come in at the 3-cent rate. This is called averaging the cost prices to beat the United States tariff. This fact was fully brought out at hearings in the fall of 1906 before the Board of United States General Appraisers in New York, when their decision was that the better grades should pay the higher rate. See three Treasury Department reappraisalment circulars Nos. 1506 to 1509, 1518 to 1521, 1562 to 1566, attached. See reappraisalment Nos. 9136, 9148, 9288, 9962, for decisions.

Raw material.

In 1903 I brought to this country from China and Japan some of the matting-grass roots and delivered them to the Department of Agriculture here in Washington, and had a long conference with Secretary Wilson, Doctor Galloway, and several of his assistants in the department, with the result that the department has since spent much time and money to grow this grass in the United States, becoming so interested in it that they sent Mr. John Tull, of that department, to Japan in 1906 to make a thorough investigation of the culture of these matting grasses and to collect and bring to this country a large lot of the roots, which he accomplished at great expense and at the risk of his health and life, with the result that the grass is now being raised in this country—in South Carolina, Texas, and California. To show this is a fact, I will quote from a letter dated November 18, 1908, from Mr. William E. Haskell, jr., secretary and treasurer of the Carolina Rice Growers' Association, of Charleston, S. C., to our company:

I feel that we will be able to grow you all the rush you want; the rice lands of Carolina are adapted to this growth.

I will say that Mr. Haskell raised a few hundred pounds of the grass this season and is preparing to raise a large lot in 1909. We wove this American-grown grass into matting for his own use—the first grass to be grown on American soil by the American farmer and to be woven on American power looms by American help, the first all-American matting to be laid on any floor—and he is very much pleased with it. We now have in transit from Pierce, Tex., a shipment of the grass raised there, and I now show you a sample made from the Texas-grown grass—an achievement for American industry. The accomplishment of raising this grass is entirely to the credit of the Department of Agriculture and the persistent efforts of Mr. David Fairchild, foreign explorer of the Bureau of Seeds and Plant Introduction, of which Doctor Galloway is the head. The looms to weave this fabric have been perfected by the mechanics and inventors of this country.

The farmers of this country can and have raised the grass. Give us protection for our labor, against the cheap labor of China and Japan, and it will become a great industry here. The weavers in China and Japan are paid from 5 to 8 cents a day of twelve to eighteen hours. The weavers in our mill (girls) receive from \$1 to

\$1.60 a day of ten hours; these facts are well worth your serious consideration, for without adequate protection we shall be obliged to close our mill and discharge all the help. In view of the fact that the United States takes 95 per cent of all the matting exported from China and Japan, who has a better right to make this floor covering than our American working people? Another element enters into the low foreign cost of the best grade Japanese mattings and allows them to come in at the low-rate duty; that is, convict labor in the prisons. Our laws prohibit the importation of all prison-made goods, but there is no way to separate them from the same grades made by free labor; the Japanese Government controls the prisons; the matting produced therein is sold to Japanese manufacturers, who in turn mix it with their own product and resell to the exporter, who in turn sells to the importer here, at a price that is just under the 10-cent limit, so it all comes in at the 3-cent rate.

Summary.

Our farmers are raising the grass, our mechanics have perfected the looms, our laboring people are weaving the matting, and we come before this committee to ask for a protective duty for a new industry that bids fair to become large. Under the present rates we can not produce matting in competition with China and Japan. Our desire is that section 333 in Schedule J be amended to read:

Floor mattings, plain, fancy, or figured, manufactured from split straw, grass, or rushes, or other vegetable substances not otherwise provided for, commonly known to the trade as China and India matting, when said matting contains 73 ends of warp, or more, shall pay 12 cents per square yard duty; all that contains less than 73 ends of warp shall pay 3 cents per square yard duty. Invoices shall state the number of ends of warp contained in all matting imported.

And when mattings are manufactured from round straw, grass, or rushes, known to the trade as Japanese matting, and contain 145 ends of warp or more, shall pay 12 cents per square yard duty; less than 145 ends of warp 3 cents per square yard duty. Invoices shall state the number of ends of warp contained in all mattings imported.

The medium and lower cost grades of matting are used by people of moderate means, and we do not ask for an increase of duty on these grades, but only on the higher-cost grades, and will further state that the duty we ask for will not increase the price of these better grades to the consumer, as these grades now brought in cost the retailer from 17 to 19 cents per yard and are retailed at from 50 to 75 cents per yard. In the latter part of 1906, when exchange was high, these fine grades of matting cost the retailer 29 to 31 cents, and were sold to the consumer at the same price they now sell for the same quality of goods costing the retailer 17 to 19 cents. It was the intention of the present tariff that these grades should pay 10½ to 14 cents per yard, or more, but owing to the averaging of prices and undervaluation by the importers most of the better grades now come in at the 3-cent rate. Also the rate of foreign exchange or price of the Mexican dollar has much to do with the ad valorem rate of duty, for when exchange is above 50 and the matting is not undervalued it pays 10½ cents per square yard, or more.

Example.—Foreign cost being 10 cents, it pays 9½ cents per yard duty; foreign cost being 12 cents, it pays 10 cents per yard duty; foreign cost being 16 cents, it pays 11 cents per yard duty; foreign cost being 20 cents, it pays 12 cents per yard duty; foreign cost being

30 cents, it pays $14\frac{1}{2}$ cents per yard duty; foreign cost being 40 cents, it pays 17 cents per yard duty.

In asking for a specific duty of 12 cents per square yard on the better grades, in place of the present compound duty of 7 cents per square yard and 25 per cent ad valorem, it raises the duty from 1 to $2\frac{1}{2}$ cents per yard on some and lowers it from 1 to 5 cents per yard on others, if the goods are entered at their true value. The present duty of 3 cents per square yard to be retained on the medium and lower cost grades as it now exists. These lower grades make up the bulk of the importing business.

Mr. Sawyer submitted the following decisions against importers for undervaluation of mattings:

Reappraisal No. 9136, straw matting.—From ———, Kobe. Exported May 28, 1906, entered at San Francisco. File No. 40814. Entry No. 8352. Findings of Waite, G. A.: Two hundred and forty-warp matting, entered at 7.70, advanced to 11 yen per roll; 240-warp matting, entered at $0.19\frac{1}{4}$, advanced to $0.27\frac{1}{2}$ yen per yard.

Reappraisal No. 9148, straw matting.—From Cheong Loong & Tylee, Canton. Exported June 15, 1906, entered at Baltimore. File No. 41322. Entry No. 6038. Findings of Board No. 1: Five thousand nine hundred and twenty-three rolls fancy matting, superfine lintan jointless 116 warp, entered at $\$0.20\frac{3}{4}$ Hongkong per yard, reappraised as follows: Five thousand two hundred and sixteen rolls at $\$0.21\frac{3}{4}$ Mexican per yard; 707 rolls at $\$0.20\frac{3}{4}$ Mexican per yard. Discount 2 per cent. Less N. D. charges. Previously published under Reappraisal No. 8433, October 5, 1906.

Decision of the board on rereappraisal.

The facts developed in this proceeding to determine foreign-market value present a unique situation. Five thousand nine hundred and twenty-three rolls of 116 warp Chinese matting invoiced and entered at $20\frac{3}{4}$ cents less 2 per cent Hongkong dollars per square yard was advanced by the appraisers at the port of Baltimore $1\frac{1}{8}$ Mexican per square yard. From this advance an appeal to reappraisal by a single general appraiser was taken, and after hearing on said appeal the general appraiser further advanced the value of 1,000 of said bales to 23 cents less 2 per cent Hongkong per square yard and sustained the entered value on the remaining 4,923 bales. Thereafter the importers appealed from the decision of the general appraiser on said 1,000 bales and the collector filed a like appeal from his decision on the 4,923 bales.

The importers contend that the entire lot of matting was purchased at the invoiced and entered price. This contention is supported by the sworn testimony of the representative of the importers, who negotiated for the purchase thereof, and by the member of the brokerage firm who effected the sale. The Government has attempted to show that the invoice price of said matting does not represent its actual value or sale price, but that, as a matter of fact, said invoice price was arranged for by a system of averaging or rearranging of prices as various grades of matting—that is to say, the true selling price of 116 warp matting was more than $20\frac{3}{4}$ cents, but that price was fixed upon to keep it under 10 cents United States currency according to the current rate of exchange, and to compensate the

seller for the difference between that price and the actual value the prices of lower grade mattings were proportionately increased. Both buyer and seller of the matting unqualifiedly deny that there was any system of averaging or rearranging used to fix the invoice value of this importation.

They agree in the statement that the 5,923 bales in question are a partial delivery under a contract for about 42,000 rolls, and that the actual sale price of 20 $\frac{3}{4}$ cents per square yard was fixed for the 116 warp matting entirely without regard to the prices of the other grades, either including in the importation or covered by the contract; and we are clearly of the view that the Government has presented nothing to justify the conclusion that the invoice price of the 116 warp does not represent the actual and unconditional price to be paid therefor. But it does not necessarily follow that, although the integrity of the invoice be established, the price stated may not still be below the market value. For instance, if the record shows that mattings of similar grade were being sold in unusual wholesale quantities in the principal markets therefor of China at the date of exportation for prices higher than stated in the invoices the invoice price would not control, and under the law it would be the duty of the appraiser to advance the invoice value accordingly.

There is no escape from the conclusion that for several years the vital trade question between the Japanese and Chinese manufacturers of matting and the American buyers thereof, in so far as 116 warp was concerned, has been how to keep within the law and yet succeed in having such matting passed by the United States appraising officers at not to exceed 10 cents per square yard (U. S. currency) in value.

It is provided in paragraph 333 of the existing tariff act that the duty on Chinese, Japanese, and India straw mattings of the class here involved, valued at not exceeding 10 cents per square yard, shall be 3 cents per square yard, and on all such matting exceeding in value 10 cents per square yard the duty shall be 7 cents per square yard and 25 per cent ad valorem.

It was perfectly apparent on the hearings that between some of the American buyers and the brokers or salesmen representing the foreign sellers, there was disagreement, not only as to the price at which 116-warp matting could be bought in China in June, 1906, either separately or with other grades, but also as to the practice that, for a number of years it is claimed, has prevailed, of adjusting prices on a full line of grades so as to keep the 116 warp always within the low-duty limit. Whether such was the uniform practice may yet be an open question, but there is certainly enough before us to justify the conclusion that it was, at least, not infrequently done when the prevailing rate of exchange made it necessary to keep the price of 116 warp under the high-duty limit, and we think, from the facts presented, the inference is justified that because of the advance in the rate of exchange, and the consequent risk of being compelled to pay the higher duty, those of the importers who support the claim that there has prevailed a system of averaging prices, desire that it may be found that the foreign value of 116-warp matting was in June, 1906, over the 10-cent limit so that hereafter there may be no uncertainty as to the rate of duty to be assessed thereon, and thus placing all importers on equal footing.

Such desire may be public-spirited or selfish, but to the determination of the question involved it is not important, only as it is a notable exception to find importers seeking to have levied the maximum rate of duty on the merchandise they import.

Assuming the worst that is contended for by the Government, viz, that the value of 116-warp matting in June, 1906, when purchased alone in Canton, China, was of greater value than 20 $\frac{3}{4}$ cents (Hongkong) and that in every instance where, at or about that time, the invoice or sale price was 20 $\frac{3}{4}$ cents or less, it was either a false statement of value or was the result of rearrangement of the prices of a line of mattings which resulted in the sale of the 116 warp at less than its market value.

The vital question, assuming the Government's contention to be in accord with the facts, is whether such rearrangement of prices may be made, under the peculiar conditions that are shown to prevail as to mattings, to represent the market value or wholesale prices thereof.

In *United States v. Irwin* (United States circuit court of appeals) it was held that the question of importers' intent is not to be considered as an element in determining classification. Judge Wallace, in writing for the court, said:

Upon the evidence in the record we entertain no doubt that the importations in controversy were breech-loading shotguns, which, before exportation, were in a completed condition, ready for the market or for the sportsman's use, in number equal to that of the stocks or the barrels, but that the parts were detached, shipped in separate cases, and invoiced separately to enable the importer to enter them as invoiced, escape the payment of the duty upon guns, and after importation reassemble the parts. We are to consider to what extent this was a legitimate or a successful effort to avoid payment of the higher duties.

It is a well-settled doctrine that intent is not an element in determining the proper classification of imported articles, and that merchants are at liberty so to manufacture and so to import their goods as to subject them to the lowest possible duties under the tariff laws. (78 Fed. Rep., 801.)

It may be that the language of the court in this case has led importers to believe that rearrangement of prices, similar to that which is shown to have been the practice with matting importers, was permissible under the law, and we do not believe the court intended it so to be.

It is not to be overlooked that in the *Irwin* case (*supra*) the value of the merchandise was not involved, but only the question of the right of the importer to so separate and import his goods as to subject them to the lowest possible rates of duty. It would be a very unsafe rule to lay down that where rates of duty are based upon limitations of value, such as we find in paragraph 333 and in the wool schedule, the high-grade qualities might be graded down to keep the prices thereof under the high-duty limits, while as an excuse or compensation therefor the prices of the lower grades were proportionately raised, but always to points safely within the low-duty limits.

We are unqualifiedly of the opinion that the 116-warp matting may not be appraised at the low-duty value upon any other showing than that it is actually sold at such a price in usual wholesale quantities, independently of all the other grades, as will bring it, according to the prevailing rate of exchange at the date of exportation, equal to 10 cents or under per square yard.

On the record we find the foreign market value of standard 116-warp matting at the date of the exportation of the merchandise here involved to have been 23 cents (Hongkong dollars) per square yard; but the evidence shows that the 116-warp matting here involved is of slightly inferior quality, and we find that the foreign market value of 5,216 bales thereof was at the date of exportation 21 $\frac{3}{4}$ cents, less legitimate nondutiable charges (Mexican) per square yard, less 2 per cent discount; and as to the remainder 707 rolls, we find the value to be as entered, and we decide accordingly.

[Reappraisement Circulars Nos. 1518–1521. Division of Customs, 1907.]

REAPPRAISEMENT OF MERCHANDISE BY UNITED STATES GENERAL APPRAISERS.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 7, 1907.

To collectors of customs and others concerned:

The following reappraisements of merchandise were made by the United States General Appraisers on December 27, 28, 29, and 31, 1906, and January 2, 1907, under the provisions of section 13 of the act of June 10, 1890.

LESLIE M. SHAW,
Secretary.

NOTE.—In corresponding with the Board of General Appraisers relative to any of the items in these circulars, reference should always be made to the number of reappraisement.

Reappraisement No. 9288, straw matting.—From Cheong Loong, Canton. Exported August 11, 1906, entered at Boston. File No. 42666. Invoice No. 5102. Findings of McClelland, G. A.: 4/4 S, less fancy narrow 80/85, entered at \$0.20 $\frac{3}{4}$, advanced to \$0.23 Mexican per yard. Ditto white 70/75, entered at \$0.20 $\frac{3}{4}$, advanced to \$0.23 Mexican per yard. Discount 2 per cent. Less export duty, lekin tax, and boat and cooly hire.

Reappraisement No. 9962, straw matting.—From Shewan Tomes & Co., Canton. Exported September 26, 1906; entered at New York. File No. 42787. Invoice No. 24057. Findings of Board No. 3: 4/4 S, less fancy narrow —, entered at \$0.20 $\frac{3}{4}$, advanced to \$0.23 Hongkong per yard. Discount 2 per cent. Less export duty, lekin tax, and boat and cooly hire. Previously published in reappraisement No. 9346, January 4, 1907.

The CHAIRMAN. You say this is straw?

Mr. SAWYER. This one is what is called "Japanese straw matting."

The CHAIRMAN. What is the name of this straw?

Mr. SAWYER. *Juncus effusus*, and this straw here is *Cyperus tegetiformis*.

The CHAIRMAN. I wish you would tell me just what this Chinese matting can be laid down in New York for before this duty is paid—how much a yard?

Mr. SAWYER. Fourteen cents before the duty is paid.

The CHAIRMAN. The duty is 7 cents?

Mr. SAWYER. Three cents.

The CHAIRMAN. No; all over 10 cents in value the duty is 7 cents.

Mr. SAWYER. The duty is not assessed upon what matting is laid down for in New York; it is assessed on what the Chinaman says it costs in Canton or what the foreign invoice says it cost.

Mr. UNDERWOOD. That is a question of valuation and not a question of duty.

Mr. SAWYER. Yes, sir. If the Chinamen will bill that for 9 $\frac{1}{2}$ cents, it does not matter if it costs the Chinaman 14 cents. I have known them to do it. I am talking facts now.

Mr. UNDERWOOD. That is not the law; that is something that should be looked after by the executive department which collects the duties. The question is what it ought to be.

Mr. SAWYER. I am not saying what it ought to be, but what happens. They pay 3 cents a yard on nine-tenths of the mattings or more. The importers say 99 per cent.

Mr. UNDERWOOD. There is one question I would like to ask you about this proposition of establishing a new industry here. What does it cost to raise an acre of this straw?

Mr. SAWYER. We are unable to say. We have not raised an acre as yet. The Department of Agriculture did that for us. They paid a farmer for doing it, experimentally.

Mr. UNDERWOOD. Do you know what profit there would be in it?

Mr. SAWYER. I know they say there would be a good profit at 2 cents a pound, or \$40 a ton, which we are willing to pay.

Mr. UNDERWOOD. Can you pay that now?

Mr. SAWYER. We could if the matting paid its rightful duty of 7 cents and 25 per cent ad valorem.

The CHAIRMAN. How much does the freight cost on straw from Texas to your factory?

Mr. SAWYER. We have never freighted any from Texas to our factory. What we have got from Texas has come by express. We have only got a little so far. This is the first year they have raised it.

The CHAIRMAN. You have been at it for three or four years?

Mr. SAWYER. We have been at it six years in all, but this is the first time we have ever had any American grass and made matting from American-grown grass.

The CHAIRMAN. Do you manufacture it in Texas?

Mr. SAWYER. No, sir.

The CHAIRMAN. You manufacture it in Maine?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. Why do you not make it in Texas?

Mr. SAWYER. You understand that this is a new thing for Texas, to raise this grass, the first ever raised in the United States.

The CHAIRMAN. Can it be raised anywhere else but Texas?

Mr. SAWYER. Oh, yes; it can be raised in Louisiana, South Carolina, and California as well. I have already referred to the fact that Mr. Haskell raised it in South Carolina.

The CHAIRMAN. But you do not expect us to put on a duty that will pay you for freighting this straw from Texas to Kennebunk?

Mr. SAWYER. No, sir; I do not.

Mr. FORDNEY. You stated that you were willing to pay \$40 a ton for it?

Mr. SAWYER. Yes, sir.

Mr. FORDNEY. And the cost there, did you base it on \$40 a ton.

Mr. SAWYER. No; it would cost a trifle less; it would cost 27 cents a yard, I think, made from American grass.

Mr. UNDERWOOD. How much does the farmer make if you pay him \$40 a ton for it?

Mr. SAWYER. I do not know.

Mr. DALZELL. He said this straw could be raised on land that rice grows on. That is what you said, is it not?

Mr. SAWYER. Yes; on abandoned rice land.

Mr. DALZELL. Could a man afford to abandon his rice crop in order to grow this grass?

Mr. SAWYER. No, I think not; here is the report from the Agricultural Department showing the abandoned lands of South Carolina, where this grass could be raised, with nothing growing on it now. I have visited some of that land myself.

The CHAIRMAN. They could raise rice on the same land?

Mr. SAWYER. Yes; they could raise rice or this grass.

The CHAIRMAN. And do they have to flood this land in order to raise this grass, the same as they do in raising rice on the land?

Mr. SAWYER. Yes; they plant it under water.

The CHAIRMAN. So they have to have rice land to raise it on?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. At \$40 a ton could they make as much as they could putting the same land in rice?

Mr. SAWYER. I do not know.

The CHAIRMAN. You do not know about that?

Mr. SAWYER. I do not know about rice; no, sir.

The CHAIRMAN. There is room for investigation on this subject, then?

Mr. SAWYER. What we ask for is a protective duty for our labor—labor cost—and that we may establish a new industry.

Mr. UNDERWOOD. But you do not know whether it would pay the farmer to go into this, if you put the duty up?

Mr. SAWYER. I know the Agricultural Department says it will.

Mr. UNDERWOOD. They do not go into the amount of profit to the farmer?

Mr. SAWYER. No; but the farmer himself says it will pay—the farmer who has raised it says it will pay at this price.

Mr. RANDELL. You would raise the price of matting, though, to the people of the country who use matting?

Mr. SAWYER. No, sir.

Mr. RANDELL. You would not raise the price?

Mr. SAWYER. No, sir; not a cent.

Mr. RANDELL. What good would it do you, then?

Mr. SAWYER. It would do us this good: This matting, that is almost as good as ours [indicating], is now landed in New York undervalued at 17 to 19 cents, paying 3 cents per yard.

Mr. RANDELL. It ought not to be undervalued. The proper thing to do would be to correct that undervaluation, and that would be something that would be up to the executive department, would it not?

Mr. SAWYER. That is something they have tried to prevent, and can not—they can not do it. This matting is landed at from 17 to 19 cents. It costs us 29 cents to make it. The retailers have bought thousands of rolls of our matting [indicating] at 32 cents to 36 cents, and in this city last week I took an order for 60 rolls at 32 to 40 cents a yard—this goods [indicating]. They want American-made goods on account of the good quality and evenness.

The CHAIRMAN. You do not know what the freight is, do you?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. What is it?

Mr. SAWYER. One dollar to \$1.25 a hundred pounds; and an average roll of China matting weighs perhaps 80 pounds—from 50 to 125 pounds. It is about a cent and a half a yard.

The CHAIRMAN. How many yards in a roll of matting?

Mr. SAWYER. Forty yards. I am talking about China matting. The average weight between Japanese and China—China matting is considerably heavier than Japanese matting.

The CHAIRMAN. Mr. McNeir, do you know what the freight is on matting to New York—from China to New York?

Mr. McNEIR. It is a dollar to \$1.25 a hundred.

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**SUPPLEMENTAL STATEMENT FILED BY R. H. SAWYER, MALDEN,
MASS., REPRESENTING THE AMERICAN MANUFACTURERS OF
STRAW MATTINGS.**

WASHINGTON, *November 30, 1908.*

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

GENTLEMEN: I have the honor to submit the following quotations copied from the matting grasses investigation now being carried on by the U. S. Department of Agriculture, and in which the department is very much interested.

R. H. SAWYER,
*Representing the Goodall Matting Company,
Kennebunk, Me.*

[Account No. 550. General bureau expenses—Rush investigation.]

The object of this project is to introduce from foreign countries the cultivated plants used in the manufacture of floor mattings and to domesticate wild species promising for this industry.

To start experimental areas for the production of the oriental rushes and sedges, now imported by American firms who are now weaving mattings on American looms. Practically \$4,000,000 worth of oriental mattings are imported annually. American manufacturers have demonstrated that their looms can produce superior grades of matting. It is the purpose of this project to encourage the cultivation of the raw product which will enable the American manufacturer to produce American-grown as well as American-made matting.

Places to be visited: Webster, Brownsville, Pierce, in Texas; Igera, Chica, Cal.; Yuma, Ariz.; Wilmington, S. C.; Hastings, Fla.; and Crowley, La.

[Account No. 550. General bureau expenses—Matting plant investigations.]

[U. S. No. 526. B. P. I. No. 313. S. P. I. No. 45.]

Supplementary report—July 1, 1907.

Reviewing briefly the previous year's experience with the matting rush and matting sedge plants, John Tull, who was placed in charge of the work in the Carolinas, found that the American rush, which is grown successfully in Japan, was not a success when grown for commercial purposes in the Carolinas. The soil of the abandoned rice farms at Cat Island, near Georgetown, was not suited to its cultivation. Further than this, the rice fields in that locality were often covered with salt water, and altogether the conditions there were bound to be unsatisfactory. At that time the office was in possession of only a very few really Japanese plants, and the experiments carried on were almost wholly with the species of rush secured in California. It was becoming evident that it would be necessary to get from Japan a working stock of the young plants of the Japanese rush, and it was decided to send John Tull on a trip to Japan to secure, pack, and ship a large quantity of these rush plants to this country.

Mr. Tull's mission to Japan, regarding which he has made an official report, was successful, notwithstanding the fact that the matting guilds did all in their power to prevent him from securing the young plants for shipment to this coun-

try. These guilds even went so far as to print leaflets describing Mr. Tull and his work, and distributed these leaflets among the growers of rushes in the rush region of Japan. This procedure on their part made it unusually difficult to get large quantities of the rush plants for shipment. Mr. Tull, however, succeeded admirably in securing the young plants, and we now have growing at the Chico garden, as a result of Mr. Tull's expedition, 75,000 roots of the *Juncus*, the Japanese matting rush, which are doing well and will be in condition to experiment with this autumn. During the course of these experiments with this Japanese matting rush our attention was called by R. H. Sawyer, of the Goodall Matting Company, Kennebunk, Me., to the fact that in Japan and China there were cultivated species of sedge which were used also for matting-making purposes. These sedges, although not producing such excellent material as the matting rush, being much easier to cultivate, are likely to prove at the outset quite as profitable when introduced as the matting rush itself.

Mr. Tull visited the western portion of Japan, where these sedges are grown and secured, and we have now growing at Chico about 380,000 young plants of this sedge (*Cyperus tegetiformis*). Upon Mr. Tull's return from Japan he was sent to the South to pick out favorable localities where these matting plants could be grown. In connection with this investigation he picked out at least five places where it is probable the rush will be a success and where we propose to carry on experiments the coming year with the imported plants. These plants are located in North Carolina, South Carolina, Florida, Louisiana, and Texas.

Mr. Tull, being offered a position paying a better salary than the Government could afford to pay him, resigned on July 1, 1907. The work will be placed in the hands of F. W. Clarke, with headquarters at Pierce, Tex. Mr. Clarke will arrange for small areas at the different locations, attend personally to the planting out of the rushes, and, when the time comes, to their proper harvesting, curing, and shipping.

In addition to the Japanese matting rush and the matting sedge, our attention has been called to other numerous sedges and rushes in other parts of the world, which we are securing for trial. A large shipment of the so-called samar from Egypt has been made successfully and the plants are now growing in Texas and California. This samar is a sedge which is used by the Egyptians to plant on land that is too salty to grow other crops. It is grown under irrigation, enabling it to make a growth where other crops fail. In other words, it is a reclamation crop, and although the soil which is made from it is inferior, it may still be of sufficient value to make it a profitable crop in those regions where a reclamation crop is required.

A most unusually promising native sedge was discovered by Mr. Sawyer west of Houston, Tex., and arrangements are being made to secure a large quantity of this promising native form for trial. A contract was made during the past year with a Japanese colony at Webster, Tex., through Mr. Saibara, who, at our request, grew 2 acres of the Japanese rush from seeds which were imported in 1905. Owing to the fact that the rushes did not receive sufficient water, or to the unusually dry season, the growth made by these rushes has not been satisfactory. It is also possible that the selected plants such as those imported by Mr. Tull would have made a more satisfactory growth. It is evident that these rushes will require a very considerable amount of water and will succeed best in a moist atmosphere. Portions of Texas and Louisiana seem most promising regions for them.

A bulletin has been prepared by Mr. Tull on the methods of rush and sedge cultivation in vogue in Japan, which it is expected will be printed shortly.

Following is a translation of an extract from the Sanyo News, a paper published in Japan, on the 23d of September, 1906:

"A 'manifesto' to take great precaution to disturb business transactions between foreigner and rush farmers, by the Allied Rush Matting Manufacturers' Association.

"That a foreigner, with a Japanese merchant as his interpreter and counsellor, is making great efforts to get rush sprouts, has almost succeeded to get great quantities of it, we have already mentioned, and we have now further to inform you that the committee, after holding meetings, has decided to spread the following manifesto to all the members and rush farmers:

"Dear Japanese, countrymen, and friends: You should know that a foreigner has come down to this district to purchase rush sprouts, to take away our profits which may mean our lives. He who stands as an enemy against all

our pleasures and happiness in future is before us. Beware, beware, dear Japanese, countrymen, and friends; beware.

"Receiving information that he is greatly gathering a great quantity of it we have thought it very necessary to make out proper means against him, and we have dispatched Mr. Yabuki, our secretary, and several committees to investigate the fact, and have learned by them that I. Hashimoto, the proprietor of Yehisuya Hotel, and agent for several great landing, shipping, and forwarding companies, and who has good experience for the business of purchasing this almost prohibited merchandise, has accompanied John H. Tull, an American great merchant, and they have persuaded several ignorant rush farmers on producing very tempting conditions that they have got great quantities and that they bade them sent into the hotel yard, and hired several coolies and farmers and even laborers. We are also informed that they are packed into empty kerosene oil boxes, the packing so nicely accomplished that it would be difficult to determine what is contained inside, while several holes are weakened to let in air; that they take at midnight all their boxes from the hotel and that they send them to Okayama station, and that they sent them by railway car to Yokohama, addressed to Mr. Ohashi, care of A. Weston, Nakamura street, Yokohama.

"The hotel that they are boarding at is Jiyusha Hotel, Okayama. It is unquestionable fact that it would be their desire to transport them to America and to transplant the sprouts there, as they made several important inquiries about the affair of transplanting, fertilizing, and gathering crop.

"As you know, the productiveness of rush matting is a great resource for this country. If the production of this hopeful matting were produced in America, the country of our best customers, what should be our incumbrance for our future business?

"We believe that you will remember the last example which we fairly succeeded in disturbing them from selling this hopeful stuff to foreigners, by the allied power of our matting manufacturers with rush farmers. We have not failed to inform this matter already. Though it should be very difficult to discover the business transactions so cleverly accomplished between individuals, but if we turn aside from present phenomenon our future business would be seriously checked and endanger our living.

"We therefore sincerely request all of you to take care of warning and to do the best in your power to discover and to disturb them by the allied power of all associations as well as government officers.

"Yours, faithfully,

"THE ALLIED MATTING MANUFACTURERS' ASSOCIATION."

Quotation from letter to this department from Mr. Tull.

On September 20 my guide and I left Kobe, Japan, to go into the interior town of Okayama, which is the great matting center of Japan. A small station (Niwase) 2 miles south of Okayama is noted all over the islands for the production of the finest grade of straw for matting manufacture. At Niwase we bought many different lots of roots, until finally we had collected 59 large cases for our shipment. These were shipped on October 2, 1906, from Yokohama to America. This was *Juncus effusus*. On November 15 we had bought and collected 189 large cases full of *Cyperus tegetiformis* roots near the town of Beppu, Bungo Province, on the island of Kiushiu. These were shipped November 27, 1906, from Nagasaki, Japan, to America.

The first shipment reached Chico, Cal., about October 25, 1906, in very good condition. The latter shipment reached there January 7, 1907. After planting them out in the field for their summer's growth it was roughly estimated that there were about 35,000 live roots of the *Juncus effusus* and about 78,000 live roots of *Cyperus tegetiformis*. These were planted in early February. On June 15, 1907, the latest report, they were growing satisfactorily.

[Supplemental Record July 1, 1906. Name: Matting plant investigations. Numbers: U. S. No. 526; B. P. I. No. 313; S. P. I. No. 45.]

General plan of work.—Congress having made a special appropriation of \$5,000 for carrying on this work, more extensive plans will be made, but there has not yet been sufficient time to get them completely matured. It is planned in general to dispatch Mr. Tull, who is in charge of the field work, to Japan to study the question on the spot. It is also probable that experiments will be conducted in the irrigated West. This plan will be fully matured in time to be recorded by the first of next January.

Results.—It has been found that the rice lands of South Carolina, at least those that are the richest, are rather too heavy for the satisfactory growth of the rush. The rush makes a growth on these lands that is too thick and short, and it appears that we shall either have to find other locations or select a rush adapted to these lands. We have also learned that the common American rush, *Scirpus americanus*, can probably be used to make a low-grade matting, and several men are at present in the field securing information in regard to the supply of it, etc. During the coming fall we shall make extensive plantations of this rush in the abandoned rice fields, as it seems to be well adapted to such locations.

JANUARY 1, 1907.

[Name: Japanese matting grass. Matting plant investigations. Project numbers: U. S. No. 526; B. P. I. No. 313; S. P. I. No. 45.]

Results other than publications.—A successful shipment of 59 large cases of *Juncus* roots and one carload of *Cyperus* roots, 75 per cent of which are expected to live, has been made from Japan. These are now at Chico, where they will be grown for a year before they are distributed to experimenters in South Carolina, Louisiana, Mississippi, Texas, and California.

Expansion of the matting rush project for 1908-9.

First. To arrange under contract for small areas in Texas, Louisiana, the Carolinas, California, and especially Washington State, to be planted with imported matting rush plants.

Second. To systematically increase the quantity of matting rush plants on hand for the purpose of supplying these trial areas.

Third. To select from our native rushes and other seedlings of imported species the best types for mat production.

Total amount of project, \$6,400.

THE MATTING RUSH.

Nearly \$4,000,000 are spent by the people of this country for imported floor matting, which comes by the shipload from China, Japan, and other places in the Orient.

These mattings the people of this country esteem so highly are made from aquatic plants, either rushes or sedges, and the industry of their manufacture is an important one.

In the Orient these mattings are made by hand or on hand looms, but in this country there has been invented three separate machines that will weave them and require the attention of one girl, where in the Orient two or more men are necessary.

There are scattered over the country thousands of acres of land that is suited to the culture of these plants, and this year with the appropriation of \$4,850 there have been secured from Japan and Egypt quantities of the plants that will this spring be employed in setting out acre plots in the South, with the aim of getting enough of the plants to plant large enough areas to supply the looms of the Maine manufacturers, who are now importing their raw material from the Orient and are finding it difficult, owing to the opposition of the matting guilds, to secure the raw product, which will come into direct competition with their matting.

We will need another \$1,550 next year to push this work along rapidly, as the loom owners want, as soon as it can be produced, large amounts of the rush, for which they will pay a good price.

This money would be spent in the following way:

Salary of expert in charge.....	\$1,200
Salary of assistant in the field.....	1,000
Authorization for field work.....	1,200
Contracts for planting, at \$200, an acre and care for same.....	2,000
Cost of new importations of rush and sedge plants from various regions.....	1,000
Total.....	6,400

**STATEMENT OF GEORGE McNEIR, NEW YORK CITY, WHO OPPOSES
ANY INCREASE OF DUTIES ON STRAW MATTINGS.**

MONDAY, *November 30, 1908.*

I would like to say, while I am on my feet, that I hope when they go into Mr. Dornan's suggestion about the neutralizing of duties that they will look very carefully into that argument, and remember that when we are doing business with these countries that are on a silver basis, the Government of the United States, the Treasury Department, fixes the value of the gold dollar of all these countries, and whether dealing in depreciated silver or wampum or anything else, we buy those oriental rugs and mattings on a gold basis, and we invoice them in the United States on a gold basis, and we pay the duty on a gold basis.

So it makes no difference what kind of a money basis these foreign countries are on, we have to deal with the United States Government in gold, and when a roll of matting sells for 8 yen in Japan, that is the equivalent of \$4 in gold, and if they get it above 8 yen, then it brings the high duty.

The firm I represent brings in over 5,000,000 yards of these goods every year and we sell—I was going to say about 50,000 yards of carpet every day in the year, and we know something about whether these goods compete with American carpets or not.

It is a strange fact that when the ingrain people came to this committee and asked for a duty they got their duty, and the ingrain industry commenced to fade away. It has been on the decline. We have more ingrain looms, twice as many ingrain looms as Mr. Dornan. Mattings have not run the ingrain carpets out of this market. It has been because of the fabric itself. So many weaves have been invented and so many other low-price carpets made that are more in demand than ingrain carpets that the ingrain business has suffered, and Mr. Dornan himself has sold his ingrain looms and gone into the manufacture of Axminster carpets, as we all have. Mattings have had no more to do with the decline in the ingrain industry than American cheap carpets have had.

I have a great respect for Mr. Dornan, but he is away off on this proposition.

I want to say, in regard to this American industry, that if these gentlemen's views are to prevail, this committee must go further and put a heavy duty on China and Japanese straw, because the moment we refuse to take their mattings they will begin to ship their straw over here, and we will not be able to compete.

The reason we can not get the China and Japanese straw now is because the governments of China and Japan will not permit that straw to be taken out of the country. I was approached ten years ago by a gentleman from Maine, who invented a matting loom, and he asked me to go over to China and manufacture this matting. The fact is, straw can not be dealt with by the power loom. In this connection I will say that a few of these looms were set up in Hong-kong by Shewan, Tomes & Co., but they were not successful. They have not been run since.

They tried to bring straw in from China and make mattings, and they found it was impracticable.

You can never raise straw in this country on land that is fit for anything else in the world and compete with the straw of China and Japan.

We are in favor of a fair duty on matting. If you put the duty on matting at 10 cents you will run everybody out of the business except our firm and one or two others that have an ample amount of money behind them. You can not kill China and Japanese mattings in this country. But the business will be confined to a few who can put up any amount of duty. Ten cents will be very nearly a prohibitive duty, and it will lessen the importation of mattings to a considerable extent, but it would not stop it entirely.

But here is a gentleman who appears before you, and in the face of 50,000,000 yards of imported mattings that the people are glad to get, asks you to put a prohibitive duty on matting because he has a hundred looms that may turn out in the course of a year 1,000,000 yards of matting against 46,000,000 or 50,000,000 yards imported. The buying public demands mattings, and to say that you can sell a man a carpet when he wants to buy a matting is very much like saying that you can sell a man a lemon when he wants to buy an orange, or a linen duster when he wants to buy an overcoat. [Laughter.]

**SUPPLEMENTAL STATEMENT BY R. H. SAWYER, OF MALDEN,
MASS., RELATIVE TO STRAW MATTINGS.**

MONDAY, *November 30, 1908.*

MR. SAWYER. I would like to say a word, Mr. Chairman.

The CHAIRMAN. You may have just three minutes.

MR. SAWYER. He says we can not get straw from China. I went to China myself and got all the straw I wanted.

In answer to what the gentleman has said, I want to say we are making mattings and we will continue to do so.

He says that 10 cents a yard is a prohibitive duty. I say the duty to-day, if not undervalued by the foreign manufacturers and importers, is 10½ cents on the qualities we are talking about.

The CHAIRMAN. That is merely repeating what you have already said, and it is not necessary to go into that.

MR. SAWYER. Mr. McNeir says "every firm but ours will be run out of business if a duty is put on mattings of 10 cents per yard." We do not ask for a duty of 10 cents per yard on all mattings. Let him state our case as we state it, 3 cents per yard on all mattings made of split straw that have less than 73 ends of warp and 12 cents per yard on all mattings made of split straw that have 73 ends of warp or more; and 3 cents a yard on all mattings made of round straw that have less than 145 ends of warp, and 12 cents per yard on all mattings made of round straw that have 145 ends of warp or more. An entirely different statement. Our desire is 3 cents per yard on all the lower and medium grades of Chinese and Japanese matting and 12 cents per yard on the higher cost and finest grades. In other words, 3 cents per yard (a duty for revenue) on mattings used by the masses and 12 cents per yard on mattings used by the few; or 3 cents per yard for 90 per cent imported and 12 cents per yard for 10 per cent

imported. No importer will be driven out of business by this change of duty. I think his firm would survive it and many others would continue in business.

Undervaluation of the better grades of matting hits a very tender spot of the importer—his wallet. We certainly hope the 3 cent and 12 cent specific rate will prevail, as it gives a dividing line that any man can distinguish that can count 73 and 145 and knows that 36 inches is a yard. No reappraisal will ever be asked for under these rates.

**JULIUS GARST, OF WORCESTER, MASS., WRITES IN ADVOCACY OF
PRESENT DUTY ON HIGH-GRADE MATTINGS.**

WORCESTER, MASS., *December 1, 1908.*

WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: Nearly four years ago I became interested in the development of certain power-loom mechanisms for making matting. I have been instrumental in perfecting said mechanism, and in manufacturing more than twenty 40-yard rolls of high-grade matting. I have realized from the outset that matting can not be made in America at sufficiently low cost to compete with the low-grade mattings of China and Japan, on which the duty is 3 cents a square yard. I have ventured more than several thousand dollars and am willing to invest more on the probabilities of building up a successful matting-manufacturing industry if the present protective tariff on matting is not to be reduced.

The silk industry in America owes its existence and prosperity to a protective tariff. The raw material comes from China, Japan, and Italy. The *Juncus effusus*, that forms the weft in the best grades of matting, also is produced in China and Japan, and might be brought in the raw state to this country for manufacturing purposes.

I am informed that an American matting concern has recently shipped its looms to Japan with a view to manufacturing matting in Japan for the American trade. I have been advised to do the same, partly on account of the difficulty of obtaining the desired kind and quality of straw from Japan and partly on account of the cheaper labor in Japan.

After much correspondence and unfavorable reports from various sources in Japan as to the obtainability of *Juncus effusus* from Japan, I have ascertained that said straw, of good quality, can be obtained from China. I have recently made a purchase through an agent in China. If it proves satisfactory, it would seem that the way is clear for developing a manufacturing business of respectable magnitude provided the tariff on high-grade matting is not to be reduced.

I should be pleased to submit samples and appear before your honorable body if you desire that I should do so.

Very respectfully,

JULIUS GARST.

**THE CHELSEA FIBER MILLS, NEW YORK CITY, URGE RETENTION
OF PRESENT DUTIES ON STRAW MATTINGS.**

NEW YORK, *December 3, 1908.*

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

SIR: We would ask that there be no reduction in the rates of duty on straw mattings which directly compete with and replace in consumption low-cost floor coverings which are made in this country. Our own factory has during the present act continuously manufactured a product from jute, and the following figures are from our own records. We are unable to state the proportion that same bears to the total domestic production as affected by imported mattings, and only give the figures as one piece of information:

Not exceeding 10 cents per square yard:	
Average yearly production, in pounds.....	389, 300
Average yearly production, in square yards.....	577, 000
Average yearly total value.....	\$43, 342
Exceeding 10 cents per square yard:	
Average yearly production, in pounds.....	1, 881, 000
Average yearly production, in square yards.....	1, 207, 000
Average yearly total value.....	\$274, 545

Paragraph 334: We recommend that this paragraph be changed so as to read as follows:

Carpets, carpeting, mats, and rugs, made of flax, hemp, jute, or other vegetable fibre (except cotton), valued at not exceeding fifteen cents per square yard, five cents per square yard and twenty-five per centum ad valorem.

The following figures are taken from our own books, and cover the average production for the entire period during which the present act has been in force. We are unable to state the proportion our own product bears to the entire domestic production:

Not exceeding 15 cents per square yard:	
Average yearly production, in pounds.....	545, 000
Average yearly production, in square yards.....	636, 000
Average yearly total value.....	\$60, 679
Value exceeding 15 cents per square yard:	
Average yearly production, in pounds.....	1, 336, 000
Average yearly production, in square yards.....	571, 000
Average yearly total value.....	\$213, 865

Our reason for the reduction specified is that we believe that the duty on the lower-valued classification can be reduced and still protect the American manufacturer, and in the end allow importations of some special products which may not be available excepting from foreign manufacturers. We would call your attention to the fact that for the past four years the importations under the first class, i. e., value not exceeding 15 cents per square yard, amounted to less than an average yearly value of \$1,500, while the importations under the second class, i. e., valued at above 15 cents per square yard, averaged about \$75,000 yearly.

Paragraph 341: We recommend that there be no reduction in the rates of duty, and that the phrase "not exceeding 60 inches in width" remain without change. The duty on the ordinary burlaps, which is the commodity mainly covered by the paragraph, is now so low as to prevent the manufacture in this country of regular goods

for the general market. We have continuously operated machinery required for these goods.

The clause "not exceeding 60 inches in width" covers products which, while covered by the description "plain woven fabrics of single jute yarns," are not ordinary "burlaps," but require additional care to produce, with increased cost in manufacturing.

The value of common burlaps as imported in 1907 was 7.9 cents per pound, the value of burlaps covered by "not exceeding 60 inches in width" was 10.2 cents per pound, the difference, 2.3 cents per pound, representing the increased cost to manufacture (same covering labor, supplies, and fixed expense), as the raw material in both cases is the same.

	Cents per pound.
Duty on plain woven fabrics, which are entered under paragraph 347, owing to the operation of the clause "not exceeding 60 inches in width"_____	3.7
Average value _____	8.3
Duty on jute yarns finer than 5 lea for the period 1905-1907_____	2.8
Average value _____	8.1

The product covered requires yarn to be finer than 5 lea.

The difference of nine-tenths cent per pound in duty is of itself insufficient to cover the cost and charges of weaving same into finished product.

Paragraph 343: We recommend that this paragraph remain without change, unless your committee sees fit to increase the rates of duty specified in paragraph 341. Should this condition transpire, somewhat additional increase in actual duty per pound should be provided for goods entered under paragraph 343.

Our annual production has averaged in excess of 1,750,000 pounds. Owing to the small protection afforded by the low duty per pound on goods imported, both under this paragraph and paragraph 341, further increase in home production is impossible, and the business can only be negotiated where all of the conditions are favorable to our methods.

The Chelsea Fibre Mills (formerly The Chelsea Jute Mills) has, since its beginning in 1876, continuously made woven jute products. The factory is equipped to carry on all of the necessary processes, including carding, spinning, dyeing, weaving, and finishing, and has during the existence of the present customs act produced over 51,570,000 pounds of woven products.

If your committee desires any figures, either as to cost or production, we will be pleased to give such, so far as same may be available from our records.

Respectfully submitted.

CHELSEA FIBRE MILLS,
FRANK L. PIERCE, *General Manager.*

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STATEMENT OF GEORGE BOWYER, OF PHILADELPHIA, PA., REPRESENTING TEXTILE WORKERS, WHO WISH HIGHER DUTY ON STRAW MATTINGS AND HOSIERY.

WEDNESDAY, *December 2, 1908.*

Mr. BOWYER. Mr. Chairman and gentlemen of the committee, I am authorized to present this petition, signed by 10,000 textile workers.

WORKINGMEN'S PROTECTIVE TARIFF LEAGUE OF PHILADELPHIA.

GENTLEMEN: The Workingmen's Protective Tariff League of Philadelphia appeals to your committee for favorable consideration of the following schedules in the Dingley tariff bill, which we desire to have amended, so that these industries may be sufficiently protected:

First. The enormous importation of 51,114,112 yards of Japanese, Chinese, and India straw matting, valued at \$4,333,044, during the year ending June, 1908, has almost destroyed the ingrain-carpet industry of our city. We believe that if it were not for this enormous importation there would not be an idle loom in Philadelphia.

Second. The hosiery industry of Philadelphia has suffered a great loss by the trade agreement with Germany, whereby our market has been flooded with German hosiery. We earnestly petition and beg your honorable committee to undo this great wrong to American industry and labor by giving a sufficient protection to hosiery.

Third. That no general demand or concerted action against a majority of the textile schedules exists is proof that in the main there should be no lowering of the bars, but in many of the schedules there should be a material increase of duty to meet the slump in the European market and the determined efforts of the manufacturers of Europe to get our market at any cost, as shown by the importation last year of \$154,688,770 worth of textiles.

Fourth. We request and earnestly urge on the committee that the language used be so clear and definite that there shall be no misunderstanding the meaning of any clause, and that it may not be possible to have 12,000 decisions adverse to the tariff law, and that no person shall make or execute any agreement whereby the minimum rate will be decreased or any undue advantage given to any business at the expense of the textile industries of our country.

WORKINGMEN'S PROTECTIVE TARIFF LEAGUE OF PHILADELPHIA.

Mr. BOWYER. In regard to protective tariff as it affects the American workingman, the theory underlying protection is simple yet wide-reaching. It is that all classes of society are benefited by the protection of American industries against the importation of foreign goods. In thus fostering our own productions it is evident that the workingman represents the largest number of individuals who are directly benefited. The practical proof of the correctness of this theory is found in the fact that there is no country in the world where the working classes enjoy as many blessings and privileges and where they come in for so large a share of the material advantages of prosperity as in America. It is to America that the poorly paid and poverty oppressed working classes of all foreign countries look for relief, and it is under the operation of high protective tariff that immigration has reached its present magnitude. This is one of the strongest arguments in favor of protection, for it proves the direct results to the workingman in providing for him the means of earning a livelihood.

The argument that the workingman is obliged to pay more for his goods on account of high tariffs is a weak one. It is apparent, in the first place, that he is better able to purchase these commodities when he has an income than he would be if shut off from all opportunities of wage-earning by the introduction of foreign-made goods; secondly, that these commodities form a comparatively small part of his wants in life; and, in the third place, they include many luxuries and non-essentials for which he has no use and no desire, and, again, the cost is not so materially advanced over the imported article as to seriously affect him.

As you know, there are two theories of tariff—that for protection and that for revenue. The requirements of the Government at the

time of our separation from Great Britain necessitated a revenue tariff of 5 to 10 per cent. This steadily increased year by year until from 1830 to 1840 it reached an average of over 30 per cent. Prior to the civil war this revenue tariff had increased still more, and it is quite evident that with the increased demands of the Government today the tariff for revenue only would amount to practically a protective basis. I have carefully followed the arguments made for tariff revision, and I can not see where anyone is to be benefited by such a revision, nor how changes of a radical nature are to be made without seriously disturbing the present harmonious workings of our American industries. The cry for free raw materials is misleading, for it is doubtful if the present duties on raw materials are much more than a fair revenue tariff, while the higher protective tariff on manufactured products is in the interest of the workingman, protecting him against the low wages of Europe.

Again, most raw materials have some corresponding product of our own country that is protected by the tariff. Take, for instance, in our own industry. Carpet wools compete largely with our own wool-raising industry, and also with our cotton planting. Lower the duty on carpet wools and thereby cheapen raw material, and you injure these two American industries, causing corresponding suffering among the workmen employed therein. The Government would also suffer on account of diminished revenue.

There is good reason why a protective tariff should be put on dyes. These are largely produced in Germany. Is there any reason why we should not foster and develop the industry here? Why do we not protect aniline manufactured at home? We have the raw material, and adequate protection would not only give employment to American workmen, but it would protect us who are employed in our mills from the possible results of a war in Europe, which, by stopping the making and exporting of these dyes, would cripple our mills and compel us to stop.

I believe that a tariff of 40 to 50 per cent ad valorem on all raw materials would work no injustice to American purchasers; that it would provide little more than a revenue tariff; that it would serve to develop yet undeveloped American possibilities. The actual increased cost of manufactured goods resulting from the tariff on raw material is comparatively small, the main cost of the finished product being represented in labor. This is an actual and important fact that can be easily proven by figures.

The present tariff schedule on floor coverings, as indicated by items 372, 373, 374, 375, 376, 377, and 378, I would check O. K. Under these figures our carpet and rug industries have flourished, our employees are receiving good living remuneration, we are able to maintain a high standard of quality, and the price to the consumer is as low to-day as it has been at any time since the civil war. In fact, many goods are lower than ever before. I think oriental rugs should be omitted from 379 and put into a class by itself. These goods are mainly valuable because of the unique method of their production, and are bought only by people of means, who desire them for their associations. There have sprung up in the East factories run by European and American capital in which these rugs are woven to order, thus destroying the very features for which they are valued so highly. If a tariff of 25 cents, or even more, a square foot, and in

addition thereto 40 per cent ad valorem, were placed on these goods, I would consider it a benefit to all concerned and an advantage indirectly to the American workingman.

In order to cover all possible evasions under item 381, I would suggest that 100 to 150 per cent should be substituted for 50 per cent therein.

I do not know what else I can say on this subject. I can see clearly, however—and I speak from a viewpoint that I think enables me to see widely over the entire field—that any revision of the tariff which would place foreign goods on an equal basis with our own would affect, first of all, the great mass of American workingmen in every industry and every capacity. Capital would readjust itself quickly on the new basis, but labor would lie helpless before the direful results of an attempt to tamper with the greatest factor ever devised for its benefit.

STATEMENT OF JOHN S. STUART, OF PHILADELPHIA, PA., WHO THINKS DUTIES ON STRAW MATTINGS TOO LOW.

WEDNESDAY, *December 2, 1908.*

MR. STUART. Mr. Chairman and members of the Ways and Means Committee, I thank you because I know you have probably conducted your hearings so as to give an opportunity to the workmen to make statements to you, because we have come here from Philadelphia to do that, and I want to say that we thank you because you have done that. Now, Mr. Chairman, I want to say that it is the second time I have been before this Ways and Means Committee. When you, sir, were a member of that committee, and my friend, Mr. Dalzell, from Pennsylvania, in 1893, I appeared before the Ways and Means Committee of that Congress to advocate what I am here to advocate to-day, and, Mr. Chairman, we want to call the attention of the committee to one of the most important items in the schedules that shall come before this committee at this time. We believe this item is one that is of vital importance to the workmen of our district.

I want to call your attention, Mr. Chairman, and ask for consideration from every member of the committee, both the majority and minority of the committee, upon this schedule. During last year there were imported into this country of ours 51,000,000 yards of Japanese and Chinese and India straw matting. Gentlemen of the committee, that 51,000,000 yards, of Asiatic labor, displaced in our district, in the city of Philadelphia, 1,000 American citizens who were employed in the manufacture of a low grade of ingrain carpet. Those are the facts that are here. The total value was \$4,333,000, showing that the average cost of this matting was 8.47 cents, to be accurate. We claim that as American citizens, as American workmen, it is utterly impossible for us to compete with Asiatic labor. We have heretofore been enabled to compete, with and through the assistance of the tariff. We have been able to compete largely with the labor of Europe, but whenever it has come down that we must compete against the Asiatic labor, when it has come that we must compete as American workmen against the labor of Asia, against the Japanese labor, which is probably the lowest paid labor in the world, then it is a question that we can not survive, and I say, as a

result—and these are the facts—during the last five years in the city of Philadelphia 1,000 ingrain carpet looms were displaced because of the importation of this Japanese matting.

Again, Mr. Chairman, we are here to plead that there might be some modification, that there might be some action taken by this committee to stem the tide of importation into our country of these German-made goods. We find that in 1906, 1907, and 1908 there was a continuous increased importation of German knit goods and hosiery. We find in the year 1906, \$6,383,371; 1907, \$7,830,988; 1908, \$8,331,961, showing a continuous steady increase, and the result has been in the district of Philadelphia this last year that there has been more idleness amongst the textile workers of that district than any time for a number of years, and in some of the manufacturing districts, and some of the manufacturing establishments in the city of Philadelphia, from a pay roll of \$10,000 the pay was reduced to \$6,000, showing that the importation of this class of German hosiery was displacing our American-made hosiery, and the consequence was that the workingmen of the district were out of work because the German workingmen were taking their places.

That brings me to my second proposition, Mr. Chairman and gentlemen of the committee, that while we had to compete with England previously, where wages were probably 50 per cent less than ours, we are competing with Germany now, where the German wages are only about 33 $\frac{1}{3}$ cents to the dollar, and, Mr. Chairman, as we make those statements there are thirteen gentlemen here, practical men, men who have worked all their lives in the mills, men who have worked in England and Scotland and Ireland, and these men know the practical results and the practical benefits of tariff in this country. There is not a man here in this delegation but knows the wages paid on the other side and the wages paid here, and we claim, Mr. Chairman, and insist that the workingmen of this country are better paid, better fed, and better clothed than any other workingmen in any other place in this world, and we claim, and we believe we know from practical experience, that every particle of that benefit we have received in this country because of these conditions is due entirely to the benefits we derive from the tariff.

Mr. Edward Steel, before the commission appointed by the Senate some time ago, made this statement. He said that while he operated a factory in Bradford, England, under the tariff law of 1882 he was able to send into this country a certain class of goods. When the McKinley tariff law was passed those goods were cut off from this country and he was compelled to move his plant from Bradford, England, to Bristol, Pa., and the result was that the employees he employed in Bradford, England, after coming to Bristol, Pa., with him, received in wages in Bristol, Pa., very near twice as much, and in some instances very near three times as much, as they received in Bradford, England. Further, while in Bradford, England, he made a profit from the manufacture of a yard of goods which in this country was only about one-half, showing that, while the manufacturer abroad received larger returns for his goods, the manufacturer here, by the increased market, due to the great demand of the American workingmen, the great possibility of the American workingmen, consumed so much that, while he could sell 1 yard of cloth imported

to this country, in our own country he could sell 10 yards of cloth, because he had the American market, which he believed, and which we know, is the best market in the world. The American market is the best, because we receive better treatment and higher wages than in any country in the world.

Let me give you gentlemen a few statistics. As workingmen we are here to testify to-day. I want to give you the facts, not theory. I did not come here to plead for some revolutionary law. I do not come here to plead for some confiscatory law. I come to plead for a law that, as a practical workingman, as a practical organization of workingmen for ten years, we believe has produced the best results that have ever been produced in this country or in any other country on the face of God's earth.

We find, Mr. Chairman, in the building and loan association of which I am a director and with which I have been identified for a long time—and I want to say in passing that there is not a State in the Union where there are so many workingmen who own their own homes as in Pennsylvania, and there is not a city in Pennsylvania nor in the world where the workingmen own as many homes and live in so many individual dwellings as in Philadelphia. But we will go outside of that, because this is a national question. We find in the United States in 1906 that in the building and loan associations there were deposits of \$673,000,000. We find in 1907 deposits of \$728,000,000, showing an increase for the year of \$55,000,000. We find Pennsylvania, the Keystone State, the State that stands for protection, the State that has received more from protection than any other—we find that State of Pennsylvania with an increase in its building and loan associations in that last year of \$10,000,000. We find that the second State, one which has always been a protective State, the State of Ohio, has \$8,000,000, and we find an increase in membership of 100,000.

I want to take you again to the savings banks, because I take these two specific institutions as representing the rank and file of the workingmen of this country. The banker does not go to the building associations, the corporation man does not go to the building association. It is composed largely of the workingmen and men of small or moderate means. The savings banks of the country in 1907 numbered 1,415. We find 8,588,811 depositors. We find \$3,690,078,945 deposits. We find an average for each one of \$429.64. We find further, Mr. Chairman and gentlemen of the committee, as a result of this tariff question, that the United States leads every nation in the world in savings deposits. We find the United States first, with \$3,690,078,945; Germany second, with \$2,831,333,000; Austria third, with \$1,033,181,961, and the United Kingdom fourth. These, gentlemen, are facts that speak louder than any words. These are facts that we, as workingmen, are here to-day to demonstrate to you, because we believe in them; we know what they are; we have experienced them, and consequently we are here to testify to what the protective tariff has done for the workingmen of Pennsylvania, and we find, gentlemen, that according to the official reports our system of protective tariff, the Dingley tariff bill to-day, has made the past ten years the most prosperous ten years that has ever been in the history of this country.

We find that during that period 1908 our imports are \$1,194,341,792. We find our exports, notwithstanding all this question that may arise as regards raw material, \$1,860,773,346, showing a balance of trade during the year of 1908 in our favor as a nation of \$666,431,554. Second, the very principle of our protective system has brought to this country the choicest workingmen of the world. The high wages offered to the workingmen of this country because of the system of protective tariffs have brought to this country from every part of the world the best workingmen, and this has also kept them in this country when they have come here. We also find that it is impossible, within the confines of the whole country of ours, to form any trust along the lines of textiles, because a textile is not like a great many of these larger commodities. It is not like some of the large corporations. Any man with a moderate amount of money, ten or fifteen or twenty or twenty-five thousand dollars, can start a textile business. We find that there is competition, and we find that the very fact of this protective tariff of our country has kept out foreign labor, has kept out the importation of foreign labor, and has given to the American workingman the best market in the world. We are here to testify, Mr. Chairman, and to put on record our testimony as workingmen, as an organization of workingmen, organized in 1893, incorporated in 1903 under the laws of the State of Pennsylvania, that the tariff has been the best advantage, has done more for the workingmen of Pennsylvania than any other law that has ever been enacted by the National Legislature.

Mr. Chairman, as a testimony to what I say I want to submit to the gentlemen of this committee, especially the minority members of this committee, one of the strongest arguments I think I ever saw published in the paper, and I do not quote this; I do not take this from any of our own papers; I take this from an English paper given to me last Saturday, and here it is, gentlemen. Shall I read it to you? Here is the picture here. Here is an English workingman standing with his tools, idle. Here is Johnny Bull standing here with all his goods packed up, and here you see the nations of the world building a tariff wall; and this English workingman says to Johnny Bull—I will read you what he says. He says:

They built that wall to keep you and me out and give their own workmen a job. Why don't you stop your dumping and give me some work?

Now, Mr. Chairman, I would like to submit to the gentlemen of this committee, especially the minority members, what an English workingman thinks about our American tariff. I want to say, gentlemen, further, that I happened to have the opportunity to go over to the other side four years ago, and, riding in one of the public conveyances of Great Britain, I asked a gentleman a question in reference to where the post-office was. He said to me immediately, perceiving that I was an American—he said to me, "What do you think about this country's tariff in England?" I said to him, "If I was an Englishman I would be for tariff." He says, "You would?" I said, "Yes." He said, "Why?" "Because," I said, "I believe for you as an Englishman it is the best thing in the world." He said, "Don't you know it will work against the United States?" I said, "My friend, never look out for somebody else; you look out for your

own country first." And, after all, gentlemen, I think that is the principle, as Americans, that we should work on. We should not be here to legislate for England, Germany, France, or any other nation in the world. We should not be here to sneer at American manufacturers or American workingmen and to try to show them up. Don't you know there is nothing possible for the German Government to do but that they do for a manufacturer who has the object in view of exploiting his goods? Don't you know they will go out of their way to give that man facilities on the steamships, on the steam roads, every possible help they can give him that he might invade the markets of England, of Germany, of America, and of every other nation?

The CHAIRMAN. Don't you think you are a little hard on the gentlemen, in view of the recent election?

Mr. STUART. No, Mr. Chairman.

Mr. COCKRAN. Do not spare us.

The CHAIRMAN. I was going to inquire whether you have any suggestion to make about the amendment of the tariff law, or whether you want it as it is now? We are more interested in that.

Mr. FORDNEY. I submit that the gentleman should be allowed to finish the statement.

The CHAIRMAN. Then there is another difficulty; each one of these gentlemen will want to make a speech after you get through.

Mr. STUART. I wish I could inflict the same punishment on them that they inflicted on the gentleman who preceded me. I would like to keep them until morning if I could.

The CHAIRMAN. Never mind about that.

Mr. STUART. The point that we are here to-day to make is to ask the committee to take into consideration these two items, especially one item of the importation of Chinese and Japanese matting; and, second, to take into consideration the agreement with Germany, whereby we have felt that we have been suffering from that agreement. Whether it was made wisely or unwisely we are not here to say, nor are we here to say to the committee what specific rate of duty they should put on matting. The matting to-day is, we find it, 3 cents a square yard. Whenever you put 3 cents a square yard to 8½ cents, which is the cost of the matting, how do you expect us American workingmen to produce a yard of carpet and compete with this product of Asia?

Therefore, we are here to-day, and we thank the committee, because I know the time is limited, for the attention they have already given the speaker, and probably, if we had more time, we could go into it more elaborately. But as we find the committee has extended the time, and has also kept in session for the purpose of giving the workingmen an opportunity to be here and present their case, I shall detain you no longer, but I presume that some of the gentlemen probably want to ask some questions, and if I can answer them, I will do so honestly, intelligently, and truthfully.

Mr. FORDNEY. I want to correct him on one thing. It is a mistake about the committee waiting until 6 o'clock on account of the workingmen. We commonly sit until 7, but we are going to sit only until 6 to-day.

Mr. CLARK. I assure you the minority is willing to sit here and hear you talk all night.

Mr. COCKRAN. I would like to see that cartoon. This cartoon shows the British workman in a state of distress and the workmen of all the other countries of the world apparently in a state of great prosperity?

Mr. STUART. Yes, sir.

Mr. COCKRAN. Is that a fact, do you think?

Mr. STUART. That is a fact; yes, sir.

Mr. COCKRAN. According to you, the British workman is paid less than the workman in Italy, France, and Germany, and the other countries.

Mr. STUART. I said the British workman gets 20 per cent more than he does in Germany.

Mr. COCKRAN. Then why is he in greater distress?

Mr. STUART. Because the German is flooding the English market to-day with goods manufactured in Germany at the lower wages, so that the English workingman is idle.

Mr. COCKRAN. If he is idle, he is getting nothing at all.

Mr. STUART. That is the reason, don't you see? Because the German is getting 20 per cent less in wages, he is flooding the English market.

Mr. COCKRAN. Do I understand you to say that the English workman is getting nothing at all, and therefore is getting 20 per cent more than the German? [Laughter.]

Mr. STUART. No, sir; I said that the German is getting in the proportion of 30 cents to our dollar, and the Englishman is getting in the proportion of 50 cents to our dollar.

Mr. COCKRAN. Is the Englishman getting in the proportion of 50 to 30 as compared with the German?

Mr. STUART. Yes.

Mr. COCKRAN. And yet the Englishman is living under absolutely free trade, and the German has a high protective wall around him?

Mr. STUART. Yes, sir.

Mr. COCKRAN. Then, how is it that free trade in England has operated to give the German workman the advantage?

Mr. STUART. They are doing that for the purpose of getting them to the market.

Mr. COCKRAN. Yes; but where are the wages coming from?

Mr. STUART. Out of the blood and bone and sinew of the German workingman.

Mr. COCKRAN. Then the German is making good to the Englishman the superior rate of wages he is enjoying.

Mr. STUART. Yes; and he gets a superior rate.

Mr. COCKRAN. The German has a high tariff. How is it that it has not saved the German workingman from the distressful conditions you describe?

Mr. STUART. Because Germany has not the facilities for manufacturing that we have in this country.

Mr. COCKRAN. Then it is our manufacturing facilities, and not the tariff, which is the source of our high prosperity?

Mr. STUART. No, sir; the tariff assists our natural resources. Therefore the two combined together make us the best country in the world.

Mr. COCKRAN. But you think the natural resources themselves would not be sufficient to give you the advantage over other countries?

Mr. STUART. No, sir. Natural resources would not give us an advantage over the whole body of laboring men of Europe and Asia.

Mr. COCKRAN. Europe and Asia, you think, then, have the greatest advantage of all in production?

Mr. STUART. They have the greatest advantage from the labor standpoint, and I consider that that is one of the vital principles in all this tariff question.

Mr. COCKRAN. Of course it is; I agree with you. There is not any other proposition in which I will agree more quickly. If you can show me that the tariff will raise the rate of wages, you can not put it high enough for me. Therefore you and I agree exactly in the purpose we have in view, even though we have a difference of opinion as to the methods by which it can be attained. Let us just come down to consideration of tariffs, how they work in this country and others. Do you think the workingman has had a fair share of the prosperity produced in this country?

Mr. STUART. Yes; it has been to his substantial advantage.

Mr. COCKRAN. The last ten years, you say, was a period of great prosperity?

Mr. STUART. Yes.

Mr. COCKRAN. You remember ten years ago that Union Pacific stock was selling at the rate of about 10 cents a bushel?

Mr. STUART. What is that?

Mr. COCKRAN. You remember that Union Pacific, about ten years ago, was selling at the rate of about 10 cents a bushel?

Mr. STUART. A bushel? Do you mean a share? You say a share? Mr. COCKRAN. I am not quite sure whether it was a share or a bushel, but its value was practically nothing.

Mr. STUART. Do I understand you—a bushel of shares?

Mr. COCKRAN. Yes.

Mr. STUART. I wish I had had a few of them some years ago.

Mr. COCKRAN. I wish I had, too, but we could not at that time see the value of them. It was selling at \$10 a share, at the outside.

Mr. STUART. Yes.

Mr. COCKRAN. And that stock is selling to-day at two hundred a share, or thereabouts, is it not?

Mr. STUART. I do not know; I could not tell you the exact price.

Mr. COCKRAN. You take my word for it; it has been as high as two hundred; is now about one hundred and seventy-five. The increase in the value of that stock has been due entirely to labor, has it not?

Mr. STUART. I consider that whenever that stock was higher than at other times, it was due to a desire of some men to get control of that road.

Mr. COCKRAN. That desire, if it ever existed, has long since been gratified. Take the rate at which it is selling to-day. It is paying 10 per cent dividend and selling actually in the market at the rate of about one seventy-five, which is not a high price considering the return it yields. Ten years ago it was not earning any interest at all upon that stock, was it?

Mr. STUART. I am not going to answer; I do not know anything about stocks.

Mr. COCKRAN. We will assume that ten years ago, when it had just come out of the hands of a receiver, it was earning no dividends what-

ever. The increase in value, amounting to hundreds of millions of dollars, is the direct result of the employment of American labor, is it not?

Mr. STUART. No, sir; it is the direct result of the development of the vast territory through which that railroad passes.

Mr. COCKRAN. Granted.

Mr. STUART. And the millions of bushels of wheat and corn and other farm products that have been brought to the market, because the East went there and settled in the West, and they produced the products that made necessary the carrying facilities of that railroad, and the consequence was that as soon as that railroad had the facilities to carry the products to the East, the stock increased.

Mr. COCKRAN. Now, after all that description, is it not true that all these beneficent conditions were results of labor?

Mr. STUART. No, sir; it means it was the result of the settlement and the development of the western part of our country.

Mr. COCKRAN. Was that not a wider employment and exercise of labor?

Mr. STUART. That was labor, certainly.

Mr. COCKRAN. Come back to that. The increase in the value of that stock was a direct result of the active, intelligent employment of labor?

Mr. STUART. The development of the country, yes; the farming industries, you might say.

Mr. COCKRAN. The increase in the value of that stock amounted to hundreds of millions of dollars, and the increase in all other property was of corresponding degree, was it not?

Mr. STUART. Well?

Mr. COCKRAN. Was it not?

Mr. STUART. It may have been.

Mr. COCKRAN. From your own description, it was. Has labor increased in value—

Mr. STUART. Yes, sir; labor has increased in value.

Mr. COCKRAN. Will you let me finish my question? You can answer me more picturesquely before I put my question, but not so intelligently. Can you see any increase in the rate of wages paid to labor corresponding in any degree with the increased value of all these other forms of property created by labor?

Mr. STUART. Yes, sir; I can. The increase in the wages during the last ten years has been over 10 per cent.

Mr. COCKRAN. This increase in property values is over a hundred per cent; in some instances over a thousand per cent.

Mr. STUART. When you were quoting the price of that stock, was it when it was below its par value or when it was at its par value?

Mr. COCKRAN. Ten years ago.

Mr. STUART. What was the par value?

Mr. COCKRAN. I am giving the par value.

Mr. STUART. What was paid in in money?

Mr. COCKRAN. According to general report there was no money paid into it at all. This stock was issued to represent not property, but the prospects of a bankrupt railway.

Mr. STUART. What money furnished the building of the railroad?

Mr. COCKRAN. I do not know.

Mr. STUART. Oh, you do not know. That is what I want to know. What value did they represent. [Laughter.]

Mr. COCKRAN. At that moment this stock represented nothing in the way of value. The road had just left the hands of a receiver.

Mr. STUART. Then, I understand from you, sir, that they built the railroad without any money?

Mr. COCKRAN. You did not understand me anything of the kind.

Mr. STUART. Then who furnished the money for building the railroad?

Mr. COCKRAN. Largely the Government.

Mr. STUART. Largely the Government?

Mr. COCKRAN. Yes. In fact, the road was built largely by government aid, you know.

Mr. STUART. Did not the franchise and the rolling stock of the railroad represent the value of those bonds and stock?

Mr. COCKRAN. Oh, no. There was no relation between this common stock and the property of the road.

Mr. STUART. What did represent the stock value?

Mr. COCKRAN. Nothing in the way of actual property.

Mr. STUART. Nothing? Oh!

Mr. COCKRAN. At the time I am speaking of, the common stock had just been issued, although the road itself had been in operation for some time. The road had been bankrupt. While in the hands of a receiver, it was reorganized and the common stock issued. At that time, say ten years ago—well, we will say twelve years ago, in 1896—this stock was of little or no value. It was selling at about 10 cents on the dollar; it is now selling at about 200. Then it was earning no dividends; now it is earning large dividends. You must see for yourself that this change in value was the result of very active employment of labor in various directions.

Mr. STUART. Yes.

Mr. COCKRAN. By that extensive employment of labor this property has increased enormously in value. You say that the value of wages has increased 20 per cent during that same time?

Mr. STUART. Yes.

Mr. COCKRAN. And you think that is a fair increase?

Mr. STUART. Yes; and I think it is not right for you to take a specific case, and you do not state it fairly. That railroad had an intrinsic value even when it was below the par value.

The CHAIRMAN. There is enough of that talk. We do not want to be stirring up any class prejudices.

Mr. COCKRAN. There is no stirring up of classes, but an attempt to ascertain the relative earnings of labor and capital. Do you know anything about the organization of the United States Steel Corporation?

Mr. STUART. Do I know anything about the organization of the United States Steel Corporation?

Mr. COCKRAN. I think that was my question.

Mr. STUART. I am not here to talk on steel; but I want to say to you for your advantage, that I consider the steel industry of this country one of the best industries we have got.

Mr. COCKRAN. I agree with you fully. On that we can not have a discussion.

Mr. STUART. What else do you want?

Mr. COCKRAN. Do you know anything about the incorporation of that concern?

Mr. STUART. No, sir. What do you want to know? [Great laughter.]

Mr. COCKRAN. If you do not know anything about it, do you think you can tell me anything I want to know? [Laughter.] Are you aware or did you suspect that the common stock, amounting to about \$550,000,000, of that company is what is called "water?" That it was issued without any property whatever to represent it?

Mr. STUART. Mr. Chairman, I will say that I am here to talk on textiles; but I would suggest that you summon Mr. Carnegie here, and I think he could give you more information on that than I could. [Great laughter and applause.]

Mr. COCKRAN. I am dying to see him. You do not know how much the rate of wages has increased in the steel industry since the formation of the steel corporation?

Mr. STUART. I do not; but I know from statistics that the workingmen employed in the steel industry in this country receive larger wages than any men employed in the same or similar industries of any other country in the world.

Mr. COCKRAN. There is no doubt about that. My question was, Whether, since the organization of that company in 1902, the wages of the operatives engaged in it had increased, and, if so, how much? Do you know that?

Mr. STUART. No, sir.

Mr. COCKRAN. But you do know that the value of that stock has increased enormously?

Mr. STUART. I take it this way, as a workingman, that if I am working for you and do a fair day's work and get an honest day's pay, I will never worry myself at night or lie awake wondering how much you are making in the business. If you pay me fair wages, that is all I want [applause]; because I consider that when capital is invested legitimately, and has brains back of it, it should receive every profit it can make.

Mr. COCKRAN. Do you not think the profits of capital furnish a standard or measure for the rate of wages?

Mr. STUART. No, sir; I do not.

Mr. COCKRAN. Your idea of wages is that they have no reference to the profits of capital, is that what you mean? Do I understand from you that, according to your conception of wages, they have no reference whatever to the profits of capital?

Mr. STUART. No, sir. I consider that when a man gets a good day's wages, as I said, a fair remuneration for what he does, he has nothing at all to do with the capital invested, because if the manufacturer or the corporation loses \$100,000 he will not be asked to pay 1 cent of it.

Mr. COCKRAN. Then this is the difference between your idea of wages and mine; my idea of wages is that it is a proportion of the joint product of labor and capital which the laborer receives for his compensation. That is my idea of wages. Your idea of wages is that it has no reference whatever to the volume of his product; that so long as the laborer gets certain wages it does not make any difference what the total profit of the industry may be.

Mr. STUART. I could answer that simply this way: That if you were not a member of a certain party, I would say that you were a member of the Socialist party.

Mr. COCKRAN. Even if you should pronounce such a terrible sentence on me as that, it would not interfere with my processes of thought, because in what I say I am merely repeating principles laid down by Adam Smith, and so far as I know that statement has not been challenged by any other writer. Before you undertake to say that there is anything socialistic about this theory I think it would be well for you to inquire a little further into the real nature of wages. The whole purpose of my questions is this: When you describe a certain rate of wages as indicating a certain condition of prosperity, I think it well to inquire how the cost of wages compares with the cost of all forms of property produced by labor. I think the laborer would be better off without any tax levied upon the community for his benefit, but under conditions where every man is left free to produce in the fullest measure and to enjoy all that he can produce.

Mr. STUART. I can only answer that question, Mr. Chairman, by saying that I consider the workingmen of this country as intelligent enough to decide what they want themselves, and you will not find any delegation of workingmen from any part of this great country of ours, from the Atlantic to the Pacific, or from the Lakes to the Gulf, you will not find a committee of workingmen coming here and testifying that the benefits of the Wilson tariff bill, or free trade, are such as they will desire, but in every instance, by a decisive majority in the industrial centers of this country, they have pronounced on the 3d of November that they were in favor of a continuation of the Dingley tariff bill, or a bill similar in its character.

Mr. COCKRAN. I quite agree with you about that. The people of this country have pronounced in favor of a protective policy. I also agree with everything you can say about the Wilson bill, which I think was the worst measure ever passed.

Mr. STUART. Thank you; we always thought that in Pennsylvania.

Mr. COCKRAN. It was a measure which was utterly and unblushingly discriminatory in its character without any pretense or claim of justification even from the protectionist's point of view.

Mr. UNDERWOOD. Did I understand you to say that the rate of wages of these textile industries was less in Germany than in England?

Mr. STUART. Yes, sir; decidedly so.

Mr. UNDERWOOD. How much, then; how much difference?

Mr. STUART. I said before it was equal to 30 cents to 50 cents, and it is equal to 33 cents to our dollar.

Mr. UNDERWOOD. In other words, the difference between Germany and England is the difference between 5 and 3, or 3 and 5?

Mr. STUART. Yes, sir; between 30 and 50.

Mr. UNDERWOOD. I want to ask you this, In Germany they have a high protective tariff, I believe you said?

Mr. STUART. Yes.

Mr. UNDERWOOD. In England they have none. That is so, is it not, on textiles?

Mr. STUART. Yes.

Mr. UNDERWOOD. I want to ask you a further question. Is it not a fact that the English operators in all the textile manufactories belong to labor organizations?

Mr. STUART. Largely.

Mr. UNDERWOOD. In Germany there is no labor organization?

Mr. STUART. I am not prepared to say that.

Mr. UNDERWOOD. Is that not a fact?

Mr. STUART. No; it is not a fact. I do not know anything about it. Do you know it is a fact?

Mr. UNDERWOOD. My understanding is——

Mr. STUART. You do not assert it as a fact?

Mr. UNDERWOOD. My understanding is——

Mr. STUART. That is a different thing; do you know it as a fact?

Mr. UNDERWOOD. It is my understanding.

Mr. STUART. That is a big difference. [Laughter.] I could assert that I was Andrew Carnegie and go down here and draw a check, but they would not honor it.

Mr. UNDERWOOD. My information is from the source that I can rely on that labor organizations in Germany do not control the textile industry. Now, I want to ask you this question: If that is a fact—and we will ascertain whether that is a fact—but assuming that my information is correct, that in England the textile industry is controlled by the labor organizations, and in Germany it is not; that in England the rate of wages is higher than it is in Germany, in the proportion of 5 to 3, and Germany has a protective tariff to protect her industries and England has none, I want to ask you whether it is the labor organizations that brought up the rate of wages or the protective tariff?

Mr. STUART. It is neither. It is the desire on the part of the German people to get the markets of the world at any cost, and all through the history of the world labor has been the point at which they have aimed in expanding, that would make up the deficiency and balance the sheet, and it was always easier to take 10 or 15 per cent off labor than off any other item that went into the manufacture of goods.

Mr. UNDERWOOD. I would like to have a plain answer to this. You stand before this committee representing a very large body of laboring men, men who have a very vital interest in this country, and I want to see if I understand you properly in saying that the labor organizations in England as compared——

Mr. STUART. I do not say there are no labor organizations in Germany. I emphatically repudiate that.

Mr. UNDERWOOD. If that is a fact, as I am informed it is a fact, do you say that the higher rate of wages was not fixed in England by the organization?

Mr. STUART. I could not answer that question from that assumption, because you assume something that you are not prepared to state as a fact. Consequently, I will answer no question that is mere assumption.

Mr. UNDERWOOD. It is not an assumption. I say it is the fact from the information I have at hand. I have not been in the mills, although I have been in that country and have been informed there that is the case, and from other information that I gathered from books, I am informed that is the case, and I think it comes down, then, to

the proposition, it is a very clear statement of the case, that here we find an industry without protection to its textile workers, where the rate of wages is higher than we find it in a country where there is absolute protection to its workers, and we find in one country that labor is organized and in the other that it is not organized. I think it is a question as to whether it is the organization that created the wage scale, or whether it was the protective tariff. I would like for you to say which.

Mr. STUART. Don't you know that, as to our own country, England has always been the only country that paid the highest wages in the world? Don't you know that second to our own country—in fact, as far, probably, as that is concerned, there is no country in the world that is superior to England in the production of textiles, because England has been in the business for so long that they are competent to manufacture and compete with any country in the world, and the only advantage that Germany has over England is the advantage of labor alone?

Mr. UNDERWOOD. Will you answer me this? Do you deny the proposition that the organization of labor in the English mills has given them the advantage in the wage scale?

Mr. STUART. The organization of labor in England has helped England, but the organization of labor in England has not given the English workingman work, because the very fact that there has been more idleness in England this last year than in any previous period demonstrates the fact.

STATEMENT OF JULIUS C. WOLFF, OF NEW ORLEANS, LA., ADVOCATING ONE SPECIFIC DUTY ON ALL STRAW MATTINGS.

THURSDAY, *December 17, 1908.*

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Proceed, Mr. Wolff.

Mr. WOLFF. Gentlemen of the committee, I am not here to ask for an increase in your tariff or a decrease in your tariff. I would like, if possible, to have some defects remedied in the way of a sliding tariff that we have got. We have a tariff on mattings to-day that makes it hard for the dealer or the importer—

Mr. FORDNEY. What paragraph are you talking about?

Mr. WOLFF. Straw mattings from China and Japan. It makes it very hard for the dealer to know just "where he is at." We pay for this matting in gold coin or its equivalent to the silver coin that is used in the Orient, which has a fluctuating value. The duty as assessed now is 3 cents a yard. The tariff as we have it now is that all mattings costing less than 10 cents a yard should take 3 cents duty.

The tariff at present, sir, that we have on all mattings costing 10 cents and less bears 3 cents a yard duty, and all at 10 cents and over, 7 cents and 25 per cent ad valorem, which tends to shut out the intermediate grades altogether. Besides, it leaves a loophole open for a lot of juggling about. That is, as to mattings that should be brought in on the 3-cent duty the tariff is so prohibitive that they juggle the prices down so as to bring it in, and they thereby get quite a number of people in trouble. Personally I have had quite a

serious experience with the Government recently. I bought mattings at the usual value. The change in the tariff was such that the Government thought I should pay 7 cents a yard and 25 per cent, instead of 3 cents, and it took me quite a number of months, with quite an outlay, to convince the Government that I was right. What would be, I think, acceptable to all who are interested in this industry would be a specific duty of so much a yard, regardless of the first cost on the other side. That would eventually give the Government greater revenue, and would increase the imports and increase the quantity that the consumer buys, and would work no hardships on anybody concerned.

I have with me a sheet of statistics that are as nearly correct as could be obtained. I will read them to you, and then if there are any questions you would like to ask I will answer them for you.

Of Chinese matting in the year 1906 that was imported to this country there was 15,966,986 yards, of a gold value of \$1,119,128. The Government received a revenue from this of \$478,000, or 42½ per cent of its original value.

In 1907 we had 16,416,872 yards, with a gold value of \$1,083,311, on which the Government got 45½ per cent revenue.

In 1908 we had 21,013,875 yards, with a gold value of \$1,438,046, on which the Government received a revenue of \$630,416.

Of Japanese matting there was imported in 1906 29,837,169 yards, of a gold value of \$2,646,861. The government revenue was \$895,114, or 33½ per cent.

In 1907 that had decreased to 27,363,381 yards, valued at \$2,608,316. The government revenue was \$820,902.

In 1908 they were up to 29,624,303 yards, with a gold value of \$2,816,253, on which the Government received a revenue of \$888,728, or 31½ per cent of the value.

The combined Chinese and Japanese mattings imported in 1906 were 45,804,155 yards, on which the Government received a revenue of \$1,373,114.

In 1907—

The CHAIRMAN. You have your whole argument written out, have you?

Mr. WOLFF. Yes.

The CHAIRMAN. Why not print it in the record? We shall read it before we decide this question. If you desire to state anything additional to your written argument, state it now.

Mr. WOLFF. The only thing I would like to state would be—

The CHAIRMAN. And we could then get a better idea of it than by having you read it. We can not hear you very well, as you are not speaking in a very loud voice. Is there anything you want to state outside of your paper?

Mr. WOLFF. Yes, sir.

The CHAIRMAN. Very well. Proceed.

Mr. WOLFF. I would like to say that I heartily advocate a specific duty on all mattings without a sliding scale. The difference is too great for the values. Mattings to-day that cost a sixty-fourth of 1 per cent more than a certain amount takes at least 100 per cent more duty.

Mr. CLARK. Now, do you want the same specific duty on the cheap matting that you want on the fine matting?

Mr. WOLFF. Yes, sir.

Mr. CLARK. That would be rather tough on the poor people who use the cheaper grades of matting, would it not?

Mr. WOLFF. No; they could buy cheaper than now, because they have to pay that duty now.

Mr. CLARK. They do not have to pay the same duty on the cheap mattings that they pay on these others, do they?

Mr. WOLFF. No, sir; they are prevented from buying the better ones on account of the duty being prohibitive.

Mr. CLARK. Would it not have the same effect if you put the same tariff on the cheap mattings that is on the more expensive ones?

Mr. WOLFF. I do not ask that.

Mr. CLARK. What do you ask?

Mr. WOLFF. I ask that the better grades be put down to where the lower grades are now, in order to avoid the complications that can not be avoided otherwise.

Mr. CLARK. You are in favor of making some reduction?

Mr. WOLFF. I beg your pardon?

Mr. CLARK. You are in favor of reducing the higher grades?

Mr. WOLFF. It is an infinitesimal part of the mattings imported—practically none of it.

Mr. CLARK. You are in favor of reducing the tariff on the higher grades down to what it is on the lower grades, are you?

Mr. WOLFF. Yes, sir.

Mr. CLARK. And you want it the same on all?

Mr. WOLFF. Yes, sir; that is it.

The CHAIRMAN. I think we have your idea. Is there anything else you desire to say?

Mr. WOLFF. Nothing, unless some questions are to be asked.

EXHIBIT A.

	Square yards.	Number of rolls.	Gold value.	Per yard.	Per roll.	Government revenue.	Adv. per cent of original cost.	Silver value to gold.
China matting:								Per cent.
1906.....	15,966,886	399,175	\$1,119,128	\$0.07 $\frac{3}{4}$	\$2.90	\$478,000	42 $\frac{3}{4}$	-----
1907.....	16,416,872	410,422	1,083,311	.06 $\frac{5}{8}$	2.65	492,530	45 $\frac{3}{4}$	-----
1908.....	21,013,875	525,347	1,438,046	.06 $\frac{5}{8}$	2.75	630,416	44 $\frac{3}{4}$	-----
Japan:								
1906.....	29,837,169	745,929	2,646,861	.08 $\frac{3}{4}$	3.55	895,114	33 $\frac{3}{4}$	50
1907.....	27,353,381	684,085	2,608,316	.08 $\frac{3}{4}$	3.55	820,902	31 $\frac{3}{4}$	50
1908.....	29,624,303	740,607	2,816,253	.09 $\frac{1}{2}$	3.80	888,728	31 $\frac{3}{4}$	50
Combined China and Japan:								
1906.....	45,804,155	1,145,104	3,765,989	.08 $\frac{3}{4}$	3.28	1,373,114	36"	-----
1907.....	43,780,253	1,094,507	3,691,627	.08 $\frac{7}{8}$	3.37	1,213,432	33	-----
1908.....	50,638,178	1,265,954	4,254,299	.08 $\frac{3}{4}$	3.35	1,519,144	-----	-----

CERTAIN NEW YORK IMPORTERS OF CHINA, JAPAN, AND INDIAN FLOOR MATTINGS FILE SUPPLEMENTAL BRIEF.

NEW YORK, December 3, 1908.

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: This committee filed a brief on November 30 with reference to the duty on China, Japan, and India floor matting made

of straw, and now begs to submit the following additional statement:

The average dutiable value of matting for the past ten years, as shown by government statistics, was approximately $7\frac{3}{4}$ cents per square yard. On this basis the average landed cost is $13\frac{1}{2}$ cents, duty paid, including buying commission, shipping, freight, landing charges, etc., and 3 cents per square yard duty.

The rate of freight at present by steamer to the Pacific coast and railroad is $1\frac{1}{4}$ cents per pound in carload lots. The rate of freight by steamer via Suez Canal or by sailing vessel averages less.

Ninety-nine per cent of all mattings imported from China and Japan are sold by the importers to the retailers at prices ranging from 9 cents to 25 cents duty paid per square yard, and there is practically no demand in this country for higher-priced mattings. This is proven by the fact that only about 1 per cent of the importations come under the high rate of 7 cents and 25 per cent ad valorem duty, which is assessed on mattings, the first cost of which is over 10 cents per square yard. These higher-priced mattings are known as "novelties" and are in very little demand.

In view of this lack of demand for high-priced mattings, if the 10-cent dutiable value limit is removed and all mattings allowed to come in at the 3-cent rate of duty, we do not think the total importations will be influenced, but that both the importations and the revenues will be practically the same as at present; but the consumers would get better quality, because the importers could, when necessary, pay a trifle more than the equivalent of the present 10-cent limit of dutiable value to the manufacturer in China and Japan and get good quality, whereas at present, if for any reason, such as a short crop of reeds, etc., the cost advances, it becomes necessary to reduce the quality in order to keep within the 10-cent limit, as the importers can not afford to pay the high duty, as it would bring the price above that which the retail trade can pay.

The statistics for the past five years show that the importations have remained about stationary, and are not keeping pace with the increase in population.

The attempts to make in this country mattings, like those imported from China and Japan, on power looms have been carried on in a spasmodic manner for over twenty years.

The production during this period and up to the present has been infinitesimal, and it has been conceded by representatives of the different manufacturers who have attempted to make mattings in this country that it was commercially impossible to make a success of it.

A great many of the firms that the committee represents have been approached at different times to put in capital to form a company for the manufacture of mattings in the United States, but promoters could never furnish figures that would justify investments.

The cost of producing domestic matting is higher than the selling price of the imported. Definite figures are not open to us, but we know an investigation will show that the domestic production is only a very small fraction of 1 per cent of the total consumption of matting in this country.

Power looms have been tried repeatedly in China and Japan, always without success.

We would mention that a number of the firms we represent are manufacturers of domestic floor coverings, but are in favor of a single

specific duty of 3 cents per square yard on mattings, as they realize that it stands alone as a floor covering, and the demand for it could not be diverted to other goods.

This committee is a standing one, appointed by the whole trade to represent them, and would be pleased to furnish any further information desired.

Respectfully submitted.

JOHN N. BOYD,
Of Joseph Wild & Co., 82 Worth Street, New York City.
 J. C. WIRTZ,
Of Smith, Baker & Co., 85 Wall Street, New York City.
 NELSON S. CLARK,
Of W. & J. Sloane, 834 Broadway, New York City.

R. H. SAWYER, KENNEBUNK, ME., FILES STATEMENT FROM THE DEPARTMENT OF AGRICULTURE RELATIVE TO PLANTS SUITABLE FOR MAKING MATTINGS.

KENNEBUNK, ME., *January 16, 1909.*

HON. SERENO E. PAYNE.

DEAR SIR: Referring to the hearing of November 30, when I appeared before your committee on American-made China mattings, as I was the last man to be heard that day and had very little time, I was obliged to file most of what I should like to have said, but above all, I wanted to be questioned regarding our goods and the manufacture of them in this country. I asked the United States Department of Agriculture to make a brief statement of their work in raising the grass in the United States for us, and on January 8, 1909, we received a statement from them that I shall inclose for your information. While it does not vary much from my brief filed, it comes direct from David Fairchild, of the Department of Agriculture.

Yours,

R. H. SAWYER,
Manager Goodall Matting Co.

STATEMENT MADE BY DAVID FAIRCHILD, AGRICULTURAL EXPLORER, DEPARTMENT OF AGRICULTURE, RELATIVE TO MATTING PLANT INDUSTRY.

One of the main functions of the Department of Agriculture is to encourage the development of new plant industries within the borders of the Union.

This work has been made a special feature by the present Secretary, and under his able administration a special office for the introduction and dissemination of the plants and seeds which are necessary to encourage the trials on the part of state and private experimenters was established.

The object of this office is to find out where new crops are needed, to send out agricultural explorers in search of such crops in foreign countries, and to bring back the seeds or young plants and to establish them in the regions where aid is needed.

The rice planters of the Carolinas have had a very hard time of it since the opening up of the Louisiana and Texas rice areas. The cultivation of rice, which was in the days before the war a very lucrative business, has so fallen off that it has not paid to grow rice on thousands of acres of the rich rice belt in these States. These areas have lain idle for some time now only to deteriorate, the canals to become filled with weeds, the flood gates to decay, and the field laborers to be scattered because of lack of work. There is scarcely a spectacle more melancholy in all American agriculture than that of these idle, fertile rice fields of the Carolinas.

One of the first calls for a new crop came from South Carolina, and the department set about finding it.

In the course of the investigations of this office it was discovered that in the rice-growing regions of the Orient there was cultivated a plant on a large scale which formed the basis for a considerable commerce with us and which it was believed could be grown in our own rice fields to advantage.

This plant—or rather these plants, for there are several, are the matting plants from which the so-called Japanese and Chinese floor mattings so much in use in this country are made.

These mattings are made by hand looms in the Orient, and at the outset there was no thought that these could be made in America in competition with the orientals owing to the great difference in the price of labor, but American ingenuity has stepped in here in the form of special power looms for the cheaper and better manufacture of these floor mattings; and the condition brought about by these New England inventions was the establishment of a factory in Maine which was importing from the Orient the raw product in the form of straw for the manufacture of a power loom made matting which was better in all respects than the hand-made matting from the Orient. The oriental manufacturers soon found out that there was a manufactory of matting in this country and they put obstacles in the way of the export of the raw product.

It was at this point that the Government stepped in and began its investigations of the possibilities of cultivating matting plants here in America, and found that the rice plantations of the South were especially adapted, or at least were the most promising areas for the plants.

This investigation has been carried on at considerable expense, for it is no small undertaking to establish a new plant industry in any country. It requires more than simply the importation through commercial channels of the seeds or plants and the distribution to the planters.

Through an extensive correspondence and by means of our explorers abroad, a survey of the matting plants of the world was made. The native rushes and sedges which grow along our waterways were studied and an attempt made to domesticate them. The Egyptian samar, from which the Egyptians make their mattings for the Mohammedan mosques, was imported and cultivated, rushes from Madeira, from Madagascar, from Portugal, and rushes and sedges from China and from Japan were gotten in small quantities for trial, but none of these seemed suited for the purpose except those from Japan and China, and it is with these that we are working most successfully at the present time. Through recognized agents in Japan seeds were

first purchased and tried on a small scale. They grew and produced a good quality of straw, but it was not uniform enough, owing, we believe, to the fact that the plants were seedlings.

At last it was borne in on us that the only thing to do was to send a man to Japan after the young plants themselves. This was done, and though Mr. Tull, who was sent, experienced all sorts of difficulties and had all sorts of obstacles put in his way by the matting guilds of the country, he succeeded in getting and safely landing in the plant introduction gardens of the Government a carload of young plants of two kinds. These were rapidly propagated at the gardens, and by the next year there were two carloads of the young plants ready for shipment to points in the South.

A trained field hand, Mr. Clarke, was put on the problem and he superintended the planting out of these experimental areas, and to our gratification the first season we were able to harvest a quantity of the straw which was pronounced by the manufacturer as equal in quality to any that had been procurable in the Orient. This was woven into a matting of the best quality on American looms.

It is believed that the department has here proved the feasibility of growing our own matting straw, and has found a crop for the southern rice fields which is deserving of a thorough trial, and everything possible should be done to foster it, since it is peculiarly a farm industry and since it will benefit a region which needs assistance.

This in an industry quite unlike the silk industry or the tea industry, upon which the Government has spent so much money. It was apparent from the outset that the silk industry demanded a kind of home care for the worms which the American housewife and the American children were not fitted physiologically to do, and no amount of machinery could lighten materially the constant care required in the rearing of the worms. The tea industry has been made a success. Excellent teas are now produced in South Carolina, but like all products which depend for their market on the caprice of the palate, they have to be advertised and a demand for them created quite independently of the fact that other teas are consumed in immense quantities in this country. The Summerville teas are slowly winning their way among people who prefer them to the China or the Ceylon or the Japan teas. The growing and manufacture of the tea has been demonstrated, just as the growing and manufacture of the California wines has been done, and all that remains is to create a greater demand for them and cultivate the public taste for them.

In the matting-plant industry we have peculiarly an affair calling for American ingenuity. No taste needs to be created for the American-grown matting, because it is just like the Orientals made, only more even in quality of weave owing to better power looms.

Two features which have already been given serious consideration are the matters of splitting the straws and of drying them. Both are mechanical problems and already we have made a machine which will split the straws satisfactorily and will work as a power machine. The matter of a straw drier is being pushed as rapidly as possible, and experts see in it no difficulty that is greater than or different from many of the same kind which have been solved in many of our American industries. In the Orient the straws are all split by hand and dried in the sun, both of which operations require cheap labor and great vigilance, to prevent the straws from being injured by

showers or dew. Our splitting machine will, we believe, do away with the hand splitting, and the drier will insure a more uniform and better product for the looms, and enable American ingenuity to recast this whole industry on a mechanical basis.

What will be the effect of the development of this new industry on the regions where it is contemplated the plants will be grown? It would make it possible to bring back under cultivation and reclaim large areas of land which have been abandoned by the rice planters. In order to reclaim these old rice lands, some crop other than rice is a necessity. Such a crop must be less exacting and more vigorous than rice, and in these particulars the matting plants have shown themselves peculiarly fitted. It would, therefore, be a poor policy at the present time to change the commercial aspect of this industry in such a way that it would be out of the question to make a practical success of the cultivation of the plants on a large scale.

In order to show what the practical rice planters of the Carolinas believe lies in this industry for them, the following letters are appended. The authors of these letters are among the most successful business men as well as planters in the South.

DAVID FAIRCHILD.

EXHIBIT A.

THE CAROLINA RICE ASSOCIATION OF CHARLESTON, S. C.
Jacksonboro, S. C., December 28, 1908.

MR. DAVID FAIRCHILD,
Agricultural Explorer in Charge,
Washington, D. C.

DEAR SIR: Your letter of the 22d was received only on Saturday. I am out of the city during the winter months and hence the delay in my reply.

The experiment of growing matting straw on my plantation last year to my mind was a perfect success, and with the perfecting of machinery for curing and splitting, etc., we may conclude that the experimental stage is past.

I am of the opinion that there has never been any other plant, other than rice, which is so adaptable to our Carolina rice lands; this sedge grows luxuriously here, producing the proper length, and, I believe, the requisite pith. Should your bureau continue their investigations and push the experiment to a conclusion I believe a new industry will be established in our abandoned rice lands along the Carolina and Georgia coast.

There are vast areas of abandoned lands in these two States which can be cultivated in this sedge, and should such a reclamation of these lands take place the matting rush would be directly responsible. Matting rush and rice grow under similar conditions, therefore a planter would have two money crops that could be grown on his rice lands, where now he only has his rice. I believe the crop will be a paying crop when once established, and a new industry of any kind should be protected in every phase for the following reasons: First, because it is expensive to reclaim the abandoned fields. Secondly, for the encouragement of capital and investors, and thirdly, because it is necessary to put the industry before the public on a successful financial basis.

Any and all of our industries that have to compete with a nonwage earning people, such as the Japanese, Chinese, etc., should be protected by a high tariff, or there will be no use in trying to introduce or establish such an enterprise.

There is no possible inducement for capital to invest in an industry that may be destroyed at any time by the free importation of the article, or the importation at such a low rate as to perhaps kill the home product.

The reclaiming of the abandoned rice lands along the Atlantic coast will open up new fields for investors and capital. These rice lands are the richest lands in our country, and I believe the introduction of a new crop of this kind which is so adaptable to our climate and soil will attract new enterprise, and

In a few years, when your experiment is perfected, the industry will become a recognized source of revenue.

Another most important point which bears upon this new industry is the protection of the negro peasantry, a very large proportion of them being entirely dependent for a livelihood on the cultivation of these rice lands; hence the further advantage of the rush industry.

Let me hear how you are progressing with your splitter and drier. I would advise the needle splitter and not the disk.

Yours, truly,

WM. E. HASKELL, JR.

EXHIBIT B.

SOUTH ISLAND, S. C., November 13, 1908.

DAVID G. FAIRCHILD, Esq.

DEAR MR. FAIRCHILD: I recently saw in a Charleston paper a very glowing account of the success met with by experiments with the *Cyperus tegetiformis*, a China rush being tried evidently under your orders by some of your employees. I hope it heralds your success in finally getting the real Japan rush, and revives the high hopes I once formed in that matter, and just now there seems the greater need for it, for the recent freshet in the Carolina rivers seems to have about destroyed all hopes of rice ever reviving here. But my fields are lower down on the Santee than any other fields on that river, and were the only fields which escaped the recent floods, and I am just now harvesting my crop made on them this year. It is the only crop made on this river, and I will be very anxious to try the *Cyperus tegetiformis*, or whatever is the proper name for it, as soon as possible.

* * * * *

Sincerely, yours,

E. P. ALEXANDER.

EXHIBIT C.

KIDDER LUMBER COMPANY,
Wilmington, N. C., November 18, 1908.

Mr. DAVID FAIRCHILD,
Washington, D. C.

MY DEAR SIR: I recall with so much pleasure our former correspondence and beg once more to trespass upon your time with the subject of the Japanese rush. You will remember the experiments made at our plantation with the plants you sent us from California, nearly all of which were too much decayed when planting to justify any hope of success. Our information now is that a Mr. Haskill, or Haskins, in South Carolina, has finally grown the above plant satisfactorily on his plantation. The great interest we all feel in the cultivation of the rush induces me to ask your help and such information as to yield and final value, with any points you may suggest. I recall the deep interest you felt in this enterprise, and as you are the best equipped to furnish such information it strikes me that the rice planters are to look to you as their "Moses" in the matter. You would oblige me by lending your influence in our behalf and placing us in touch with the successful experiments, if any.

Yours, very truly,

GEORGE W. KIDDER.

JUTE MATTING AND LINOLEUM.

[Paragraphs 334 and 337.]

STATEMENT OF W. WICKHAM SMITH, NEW YORK CITY, REPRESENTING IMPORTERS OF JUTE MATTING AND LINOLEUM.

MONDAY, November 30, 1908.

Mr. SMITH. Mr. Chairman and members of the committee, I am asked here to speak on two subjects, one being jute matting and the other linoleum and oilcloth, and if you will permit me I will take up

the jute matting subject first, as it will only take about five minutes of your time.

In the present Dingley tariff act jute mattings are provided for in paragraph 334, and are subjected to a compound duty, partly specific and partly ad valorem. The duty is 35 per cent ad valorem and is either 5 or 10 cents a square yard, depending upon whether the goods are worth less or more than 15 cents per square yard.

These compound duties have turned out in practice to make a certain duty or rate of duty ad valorem upon these goods, and we think that if it could have been foreseen what those ad valorem rates would be the Congress, when it enacted the Dingley bill, would not have imposed such high rates. As the paragraph has worked out in practice, on one quality of jute matting the duty amounts to 51 $\frac{2}{3}$ per cent ad valorem, on another quality 60 $\frac{2}{3}$ per cent ad valorem, on a third quality 73 per cent ad valorem, and on a fourth quality 86 per cent ad valorem. Now, jute mattings are not articles of luxury, they are articles of common use, and we do not believe that it was the intention of Congress to subject these goods to such rates of duty as 60, 70, and 86 per cent ad valorem, and we ask that in the preparing of a new bill the duties on these goods be reduced in the interests of the consumer, and that they be subjected either to a straight, plain ad valorem duty of, say, 40 per cent, or that if for any reason it is considered desirable to retain the compound system of rates the paragraph have inserted in it a proviso at the end that in no case shall the duty assessable under this paragraph be more than 40 per cent ad valorem, which it seems to us would be a reasonable rate on those goods, and would increase the revenue. The tariffs, even the McKinley and Dingley tariffs, have never, so far as I have observed, assessed a higher ad valorem duty than 60 per cent, except that in one or two tariffs there has been a rate of 75 per cent on smokers' articles, which are very clearly articles of luxury. Therefore we ask that these duties be changed so that they shall not run up to 70 and 86 per cent, as they do under this compound system.

The CHAIRMAN. What class do you say runs up to 70 and 80 per cent, 12 feet and under or 12 feet and over?

Mr. SMITH. There is nothing about 12 feet in this, Mr. Chairman. Paragraph 334 is the one to which I am referring.

The CHAIRMAN. Jute matting?

Mr. SMITH. Yes.

The CHAIRMAN. That is a different proposition.

Mr. SMITH. That is the paragraph on which I ask that the duty be reduced, and I suggest that 40 per cent would be a sufficient duty upon those goods, and would afford the Government more revenue than the present duties, which run up as high as 86 per cent and which are practically prohibitive.

Mr. DALZELL. There are two duties here. You want both reduced, and you want us to make a square, flat rate of duty?

Mr. SMITH. Yes. I suggest that they be changed into one simple rate for all goods of 40 per cent, and then the better the goods the more duty there will be derived from them.

Mr. DALZELL. Are you an importer?

Mr. SMITH. I am a lawyer.

Mr. DALZELL. You are representing the importers?

Mr. SMITH. Yes.

Mr. DALZELL. Where do these goods come from?

Mr. SMITH. They come from England and Scotland, I think. That is all I desire to say about the matting.

The CHAIRMAN. File your brief, if you choose.

Mr. DALZELL. Do you know what the annual consumption is of that article?

Mr. SMITH. I do not, Mr. Dalzell, but I do not think it is very large. I think that if the duty on it was reduced it could be more largely used, and the consumption would be increased and the revenue would be increased.

I come now to paragraph 337, which provides for oilcloth for floors, including linoleum or corticene, and provides various compound rates, and on those we ask for a reduction in duty, and we ask that the rates be made straight ad valorem rates, so that everybody can know just what they are going to be, and that the compound system be abolished as to these paragraphs. An examination of the application of the existing compound rates to the importations of this class of goods shows that the duty under the existing law varies from 25½ to 75 per cent ad valorem. The duty on plain linoleum varies from 29 to 51 per cent; on printed linoleum from 36 to 45 per cent; on floor oilcloth from 56 to 67 per cent, and on inlaid linoleum from 52 to 70 per cent. Many of these duties are absolutely prohibitory, and prevent goods from coming into this country at all, except so far as they are produced here. Some of these duties are prohibitory upon articles which are not made here at all, and therefore cut them entirely out of the consumption. Of course, Mr. Chairman, among these articles oilcloth and floor coverings are not in any sense luxuries, but are used by all classes of people. The industry in this country is not an infant industry. The leading manufacturer of these goods advertises that he has been in the business, or is the lineal descendant of people who have been in the business, for over one hundred years; that the first factory of his predecessor was established at Philadelphia in 1807. He says in his advertisement that he has now a plant consisting of 10 acres and 50 buildings, that he is able to export oilcloth to the British dominions and other places, and that he has recently received from the Government a contract for an article called "battle-ship linoleum" in competition with all the foreign makers. I am advised that as the industry exists to-day about 90 per cent of it is in the hands of the domestic manufacturer, and about 10 per cent of the article consumed here is imported.

The CHAIRMAN. The importation of oilcloth and linoleum has increased very much—of oilcloth under 12 feet in width from 219,000 square yards in 1898 to 4,874,000 square yards in 1907, with a duty of 52½ per cent; 12 feet and over from 61,000 square yards in 1898 to 161,000 square yards in 1907; linoleum, inlaid, and cork carpets from 72,000 square yards in 1898 to 2,132,000 square yards in 1907.

Mr. SMITH. Yes, Mr. Chairman. Now, I am advised that last year, 1907, to which you referred, was an exceptional year, in which the importations were very much greater than they have been either before or since.

The CHAIRMAN. According to this it was 2,132,000 square yards in the year ended June 30, 1907, and 1,750,000 the year before, and of oilcloth over 12 feet in width the importations were 161,000 square

yards, as against 114,000 square yards, and in oilcloth under 12 feet in width 4,874,000 square yards, as against 3,521,000 square yards. It has been increasing.

Mr. SMITH. Yes, Mr. Chairman; there can be no dispute as to the fact that there has been an increase in the importations of linoleum; but, on the other hand, the demand for linoleum and the consumption of linoleum has increased very much faster than the increase of importation.

The CHAIRMAN. We will get the figures on the consumption later.

Mr. SMITH. So that, notwithstanding these figures, it is true that the domestic manufacturers still have about 90 per cent of the business and the importers about 10 per cent. One of the special features of this paragraph to which we ask attention is this, that this duty bears the hardest on the cheapest grades of goods, so that the cheap and common oilcloths which are used by the poor can practically not be and are not practically in fact imported at all. They are excluded.

The CHAIRMAN. That is the result of this specific part of the duty?

Mr. SMITH. I assume that is the effect of it.

The CHAIRMAN. Of course that would be. So much a square yard is harder on the cheaper goods.

Mr. SMITH. With those few preliminary remarks I would like to call attention to particular articles. For example, on plain floor oilcloths this paragraph provides a duty of 8 cents a square yard and 15 per cent. It is found that this amounts to about 57 per cent ad valorem on the best grade, 60 per cent on the next grade, and 66 per cent on the lowest grade. We have made a computation based on the figures of a leading importing house which shows that the selling prices of the American manufacturer of these grades is, in the case of the first grade, 9½ cents less per square yard than the price at which the foreign article can be landed here, utterly irrespective of any expenses of business here or profits. The landed cost of these goods of this grade is 9½ cents higher than the selling price of the American manufacturer. It is 9½ cents on the second grade, 9¾ cents on the next grade, and on the lowest grade 8 cents. These duties are therefore practically prohibitory, and none of these goods have been imported for years. Now, upon plain linoleum, which is a common article and in very great demand, it appears that the duties vary from 25½ to 45 per cent, and that, taking the same importer's figures and estimating the landed cost and comparing it with the selling price in this country, the American manufacturer's prices are in every instance lower than the actual landed cost of these goods, and this difference varies from 7 to 18 cents a square yard.

On printed linoleums, which are a common, cheap class of goods, the duties ad valorem as figured up from the specific and ad valorem duty vary from 36 to 49 per cent, and the landed cost of the goods here exceeds the price at which the manufacturers sell the best quality by 7 and 8 cents a square yard, about the same difference on the second quality, and on the low grades the difference is so great that the importers can do practically little or no business in those goods.

Coming to the best grades of linoleums, the inlaid linoleums, the duties vary from 52 per cent to 65 per cent, and the American manufacturer is able to sell his goods at from 16 to 18 cents a square yard less than the importer can land them for in this country.

We also suggest that cork carpets, which are classed in this paragraph with inlaid linoleums, should not be classed with them, because inlaid linoleums are an expensive, elaborate article, while cork carpets are a plain and common article and should not be included in the same category with inlaid linoleums. The duties on these cork carpets under this compound system vary from 55 to 70 per cent ad valorem, and the one which is subjected to a duty of 70 per cent ad valorem when imported is not made in the United States at all, but on these goods which are made in the United States the selling prices of the American manufacturer are from 12 to 17 cents less than the landed cost of the imported article. The duties are almost prohibitory. We ask that as to this paragraph the compound rates be abolished and that a duty of 25 per cent be assessed on all the articles covered by this paragraph except inlaid linoleums, which we think should be subjected to a higher duty than the others and as to which we suggest 35 per cent.

Mr. DALZELL. Under the present law linoleums which are named in the paragraph come in at the same duty as the others?

Mr. SMITH. Yes.

Mr. DALZELL. Although they have been held by the court not to be inlaid linoleums.

Mr. SMITH. Certain articles called "granite linoleums" and "oak-plank linoleums" were claimed by the domestic manufacturers to be really in fact inlaid linoleums. That question went to the courts and was determined adversely to the Government and in favor of the importer, and they were held to be plain linoleums, and under that ruling would come in as plain linoleums, which we respectfully insist is their proper classification. We do not think they are properly to be compared with inlaid linoleums, which are the finest grade of goods made in that line.

FLAX FIRE HOSE.

[Paragraphs 335.]

STATEMENT OF B. A. LEVETT, 24 STATE STREET, NEW YORK CITY, RELATIVE TO FLAX YARNS AND FIRE HOSE.

MONDAY, *November 30, 1908.*

The CHAIRMAN. Whom do you represent?

Mr. LEVETT. I represent the Eureka Fire Hose Company, of New York; the Charles Niedner's Sons Company, Malden, Mass.; William and Charles Beck, Lawrence, Mass., and the Boston Woven Hose Company, Cambridge, Mass. These companies make woven flax hose—that is, the fire hose that is used throughout the country.

The CHAIRMAN. You may proceed.

Mr. LEVETT. The duty on flax hose under paragraph 335 is 20 cents a pound. The duty on the yarn from which it is made is 45 per cent ad valorem under paragraph 347, manufactures of flax not specially provided for. The yarn that is mainly used in the making of this hose is called a finished yarn. That is to say, a yarn that has been put through a process of boiling to remove the gum. It is not bleached. The bleaching would spoil it for the hose. In the making

of this fire hose they have to use a yarn which, when the water goes through the hose, will swell up and form a compact wall, so that the water can not get through. The lea is No. 19. In paragraph 331 single yarns in the grays are provided for by an ad valorem rate of 40 per cent, and in paragraph 330 threads, twines, or cords, made of flax yarn, are provided for at specific rates. The yarn we use in the manufacture of this hose is a twisted yarn, which is provided for in paragraph 330. The rate on that depends on the lea. With 19 lea the rate is three-fourths of a cent a pound additional to the 13 cents a pound. For that lea the specific rate is $23\frac{1}{2}$ cents, which is equivalent to an ad valorem of something over 100 per cent. The hose made from this yarn pays a duty of 20 cents a pound. In other words, you take a pound of imported thread and you pay a duty of $23\frac{1}{2}$ cents. You put that pound into hose and that hose is protected by a duty of 20 cents, which is 3 cents less than you pay on the yarn. We are not asking for any further protection on the hose. We are not asking for any more duty on the hose, if the yarn is kept at the same rate, but we would like to see a lower rate on the yarn for the purpose of reducing the cost of the hose, so the consumer would get it at a cheaper price. The rate, as I say, is 45 per cent. Prior to 1897 we imported the finished yarn. When the act of 1897 was passed the rate was put up so high that we had to import the single yarns and twist them here. We installed machinery. That is what has happened. You can ascertain from the difference in the importation of the yarn just what happened. In 1898 there were only 9,000 pounds of twisted yarn imported, while of the single yarn there were over 68,000 pounds, and there were about 704,000 pounds imported in 1907. We employ the labor that twists the yarn and makes it into the thread that goes into the fire hose.

Mr. GRIGGS. You did that to avoid the higher duty on the yarn?

Mr. LEVETT. Yes, sir.

Mr. GRIGGS. What do you want now?

Mr. LEVETT. That the rate of 45 per cent be reduced. We want mainly to have that reduced.

Mr. GRIGGS. On the twisted yarn?

Mr. LEVETT. No, sir. We care nothing about the twisted yarn, because we have the machinery that twists it. If some of the interests want that reduced, we do not care.

Mr. GRIGGS. You want to reduce the duty on what you manufacture?

Mr. LEVETT. We would prefer to have that remain as it is.

Mr. GRIGGS. You want the duty to remain as it is?

Mr. LEVETT. It really does not make very much difference on the yarn. We pay a duty of 45 per cent, and we can do business. If it is put lower we would not do much more business, because there is very little of the finished hose imported, about 4,000 pounds, I believe, last year, and that is due principally to the fact that they can not make such good hose on the other side.

Mr. GRIGGS. You can outtwist them?

Mr. LEVETT. Yes, sir.

Mr. GRIGGS. Why could you not, with the reduced duty, outprice them?

Mr. LEVETT. The chances are we could.

Mr. GRIGGS. I am glad to hear that.

Mr. LEVETT. There is this, however, about the hose we make, with the duty of 20 cents a pound on the imported article. If you take the labor cost here and abroad as the same thing, not allowing for the difference in labor cost, they can sell their hose here within about 5 per cent or 6 per cent or 8 per cent, at the most, of the price it costs us to make it.

Mr. GRIGGS. Then you do not want a duty of 20 per cent?

Mr. LEVETT. It is 20 cents a pound.

Mr. GRIGGS. Then you can reduce the duty on the hose?

Mr. LEVETT. If you provide a decrease in proportion. That is, if you reduce the duty on the imported yarn, we are perfectly willing to have the duty on the hose reduced.

Mr. GRIGGS. You are perfectly willing that the whole thing be put on the free list?

Mr. LEVETT. Yes, sir.

Mr. GRIGGS. That would give us all adequate fire protection at a cheaper rate?

Mr. LEVETT. Yes, sir. I think there is another point perhaps in regard to putting fire hose on the free list.

Mr. GRIGGS. I mean the protection from fire.

Mr. LEVETT. So do I. There is a lot of hose, as you gentlemen all know, that bursts, and a great deal of the cheap hose would come in if there was no duty. If you continue the 20 cents a pound duty it will keep out the very cheap hose, and I think it ought to be kept out. As I said before, we do not care very much about that.

Mr. GRIGGS. You could advertise that fact and let the people all know which was the good hose which would not break?

Mr. LEVETT. I think most of the fire departments know. This flax hose is pretty well sold in this country.

We ask that the duty on the yarn be not increased. We would like to see it reduced.

Mr. GAINES. Is this fire hose?

Mr. LEVETT. Yes, sir.

Mr. GAINES. They use a different grade?

Mr. LEVETT. You will find that a great deal of the hose they use is cotton hose.

Mr. DALZELL. What do you suggest instead of the 45 per cent?

Mr. LEVETT. I have not very much of a suggestion to make; if it is put down to 35 or 25 per cent it would mean that the cost of the finished hose would be just that much less. I represent practically all of the companies. I want to say there is absolutely no combination, and that they are in sharp competition with each other.

OILCLOTH AND LINOLEUM.

[Paragraph 337.]

HENRY A. POTTER, OF NEW YORK CITY, ASKS A NEW CLASSIFICATION FOR OILCLOTHS AND LINOLEUMS.

MONDAY, *November 30, 1908.*

Mr. POTTER. What I have to say is in reference to paragraph 337 of Schedule J. We would respectfully submit that the rates in the

present law were fixed to compensate the American manufacturer of oilcloth and linoleums for the duties placed on the raw materials entering into their product, such as burlaps, linseed oil, varnishes, glue, clay, and the various pigments, and also for the difference in wages here and abroad.

We are not disputing the right of the manufacturers of our raw materials to get such duties on their products as they are entitled to, but when these are fixed we want a compensating duty on our own product. Wages in the United States are over 100 per cent higher than in Europe. We submit that the steadily increasing imports of manufactured oilcloth and linoleums would show that the duties in the present law are not too high. The imports for the fiscal year of 1907 were 7,178,211 square yards, valued at \$2,298,321.20, which amounts to about 20 per cent of the total sales in the United States.

The two commercial widths of oilcloth and linoleum are 6 and 12 feet. The act of 1897 intended to place 12-foot goods at the higher rate of duty, but this was defeated by the importer cutting the 12-foot goods to 11 feet 11 inches, thus bringing them in under the lower rate. The importers appealed from the decision of the Board of General Appraisers as to the definition of what are commercially known as "granite" and "blank" linoleums, the board holding that they were inlaid, but the courts held that these were goods not otherwise specified. The only change we ask in the present paragraph is in its phraseology, so as to correct the two matters mentioned above. We feel that the American manufacturers have been and are contributing more than their proportion of support to the United States Government. The total sales of oilcloth and linoleum in the United States are about \$12,000,000. Burlaps are all made abroad, and it is impossible to get any accurate statistics from the Government as to the amount imported for our use, as the goods are grouped in the schedule with the various other materials which are imported for other purposes, but we estimate that the American manufacturers paid in duties in the fiscal year 1907 about \$1,250,000 on burlap, and during the same year the Government received in duties from the importers of oilcloth and linoleum \$1,256,163.50, or a total of \$2,506,163.50, which revenue is about 21 per cent of the total sales of the American manufacturers.

In view of the above we would ask that paragraph 337 be changed to read as follows:

Oilcloth for floors, plain, stamped, or printed only, including linoleum, cortice, and all other fabrics, or coverings for floors, made in part of oil, or any similar product (except silk oilcloth), under seven feet in width, not specially provided for herein, 8 cents per square yard and 15 per centum ad valorem; seven feet and over in width, and all oilcloth or other fabrics or coverings for floors, made in part of oil, or any similar product, of whatever width, the composition of which forms designs or patterns, whether inlaid or otherwise, and whether known as inlaid, granite, plank linoleum, or by any other name, and cork carpet, 20 cents per square yard and 20 per centum ad valorem.

Now, Mr. Chairman, I have made this statement from what knowledge I could get of the quantity of goods that are manufactured in this country and the part that are imported, and our claim is that 80 per cent only is manufactured in the United States and not 90 per cent, as suggested by the former witness, and that the duty is not excessive, as is shown by the revenue derived from this product by the Government from the imports. We have to import all of our burlaps,

and all that we ask is compensating duties for the duties which you in your judgment place on these raw materials.

The CHAIRMAN. It is claimed here that the duty per square yard, the specific duty, bears very heavily on the cheaper grade of goods. What have you to say about that?

Mr. POTTER. Why, the specific duty is the compensating duty on our raw materials.

The CHAIRMAN. Is the raw material the same in all classes of goods?

Mr. POTTER. Yes, sir; the main raw material is the same in all classes of goods; these burlaps, over 60 inches wide, which pay 45 per cent.

The CHAIRMAN. Then the difference of cost is wholly from the manufacture?

Mr. POTTER. Wholly from the manufacture; yes, sir.

The CHAIRMAN. Do they not use a better class of paints in the more expensive goods?

Mr. POTTER. No, sir.

The CHAIRMAN. The material is all the same?

Mr. POTTER. The materials are all the same, the quality depending upon the thickness.

The CHAIRMAN. If that is so, and the specific duty was fixed simply for compensation, for the duty upon raw materials, there would be some reason in it.

Mr. UNDERWOOD. The witness who preceded you stated, as I understood him, that the duty upon these lower grades was prohibitive. Do you agree with him?

Mr. POTTER. The Treasury reports show that they are not prohibitive.

Mr. UNDERWOOD. How much of them come in? I believe you stated that taking all the grades together there is 20 per cent imported and 80 per cent manufactured in this country?

Mr. POTTER. He said 90 per cent and 10 per cent. I say 80 per cent and 20 per cent.

Mr. UNDERWOOD. Does that apply to the lower grades?

Mr. POTTER. That applies to all the goods that we make.

Mr. UNDERWOOD. Our figures here do not differentiate between the lower grades and the higher grades?

Mr. POTTER. Yes; it does. You get an average on the goods that pay the low rate in the report of 1907, a unit value of 21 cents. That is cheap enough for anything. Those are cheap goods.

Mr. UNDERWOOD. But what percentage of the lower grades comes in under that?

Mr. POTTER. Four million eight hundred and seventy-four thousand yards against 2,132,000 yards, the unit value of which was 54 cents.

Mr. UNDERWOOD. But of the 4,000,000 yards coming in, what percentage is that?

Mr. POTTER. It is nearly 5,000,000 yards. It is 4,874,000 yards.

Mr. UNDERWOOD. Those 5,000,000 yards, what percentage are they of the production of that grade of goods in this country?

Mr. POTTER. Our total product in this country is about 36,000,000 yards; but I will say that the production on that grade of goods would be in the neighborhood of 15,000,000 yards.

Mr. UNDERWOOD. Fifteen million yards?

Mr. POTTER. Or 20,000,000 yards.

The CHAIRMAN. In that connection you tell me, do you, that the materials they make into oilcloth, linoleum, and so forth, stamped and painted, or printed, under 12 feet, come in at the same rate of duty as those over 12 feet in width?

Mr. POTTER. Will you please say that over again?

The CHAIRMAN. You tell me that the materials used for making these goods under 12 feet in width come in at the same rate of duty as the materials for making them over 12 feet in width?

Mr. POTTER. I think the 12 feet does not apply to your question.

The CHAIRMAN. Will you answer my question—whether it does or not; whether the goods under 12 feet have essentially the same material as those coming in under 12 feet?

Mr. POTTER. The materials we use in making floor oilcloths or linoleums are the same whatever the width is.

The CHAIRMAN. Then why is it that on those under 12 feet you have a compensating duty of 8 cents and on those under 12 feet you have 20 cents a square yard?

Mr. POTTER. Because the burlap that enters into the 12-foot goods is higher-priced goods than that in the other.

The CHAIRMAN. Then it is not the same?

Mr. POTTER. It is the same material; it is a burlap.

The CHAIRMAN. Yes; but it is a better quality of goods?

Mr. POTTER. Yes; it is a better quality of goods.

The CHAIRMAN. It has a higher rate of duty, or a higher cost, or what?

Mr. POTTER. It has a higher cost.

The CHAIRMAN. Do you get that burlap here?

Mr. POTTER. No, sir; we import it.

The CHAIRMAN. You import your burlap?

Mr. POTTER. Yes.

The CHAIRMAN. That is all I wanted to ask.

Mr. UNDERWOOD. Now, I would like to ask you on that if the duty was removed entirely on burlaps and you had your raw material free, we could abolish the specific duty that is now charged against linoleum and oilcloth without affecting your business?

Mr. POTTER. Not entirely.

Mr. UNDERWOOD. Did I not understand you to say a moment ago that the specific duty here on the finished product represents the cost of the raw material?

Mr. POTTER. Compensation for duty on our raw materials and burlap is not the only raw material we use.

Mr. UNDERWOOD. What other raw materials do you use?

Mr. POTTER. Linseed oil at 20 cents a gallon. On every pigment we use there is a further 25 per cent ad valorem—all the clays and varnishes.

Mr. UNDERWOOD. In order to give the committee that information, will you kindly detail to us the raw materials you get, and how much percentage of that goes into the finished product, as distinguished from jute?

Mr. POTTER. As distinguished from the jute?

Mr. UNDERWOOD. Yes.

Mr. POTTER. I understand your question. If you take on these goods that the unit of value is 22 cents—for instance, take your burlap at 6 cents, your other materials will cost you 10 cents.

Mr. UNDERWOOD. The burlap would be 6 cents of the amount of your raw material?

Mr. POTTER. Well, against 22—that is, against 22.

Mr. UNDERWOOD. The total amount—

Mr. POTTER. I am basing this on a piece of goods which cost 22 cents.

Mr. UNDERWOOD. Yes, but the amount of raw material would be—

Mr. POTTER. Sixteen cents.

Mr. UNDERWOOD. That goes in there?

Mr. POTTER. Yes.

Mr. UNDERWOOD. And 6 cents of that would be—

Mr. POTTER. The labor and expenses.

Mr. UNDERWOOD. Six cents would be the labor and expenses?

Mr. POTTER. Yes.

Mr. UNDERWOOD. But how much of that raw material is the jute?

Mr. POTTER. This is out of the 16.

Mr. UNDERWOOD. So that if jute was put on the free list a reduction of the specific duty to that extent could be made without injuring your business?

Mr. POTTER. Yes; 3 cents a yard, or in that neighborhood.

Mr. UNDERWOOD. That would enable you to sell this to the consumer at a considerably less cost, would it not?

Mr. POTTER. If we saw fit to; yes, sir.

Mr. UNDERWOOD. Have you all got a trust in your business?

Mr. POTTER. No, sir.

Mr. UNDERWOOD. Would not competition drive you to it?

Mr. POTTER. It probably would. There is no trust among the American manufacturers in any way, shape, or form.

Mr. UNDERWOOD. That is all.

Mr. RANDELL. It would cut out competition from abroad, however, would it not?

Mr. POTTER. I do not think so.

Mr. RANDELL. They could compete with you from foreign countries?

Mr. POTTER. I think so, on some lines of goods.

Mr. RANDELL. On foreign goods?

Mr. POTTER. Oh, in the foreign market? We are entirely shut out on the foreign market with that duty.

Mr. RANDELL. But the foreign manufacturers could compete with you here?

Mr. POTTER. I should think they would.

Mr. RANDELL. You say on certain lines of goods.

Mr. POTTER. They would.

Mr. RANDELL. They would be the more costly?

Mr. POTTER. Yes.

Mr. RANDELL. As a matter of fact, those are the only kinds that are imported—the more costly?

Mr. POTTER. No, sir.

Mr. RANDELL. Is not that the fact?

Mr. POTTER. No, sir; that is not the fact.

Mr. RANDELL. Do you know of any of the cheaper kinds being imported in the last year or two?

Mr. POTTER. Here are nearly 5,000,000 yards that average 21 cents.

Mr. RANDELL. Where is that from?

Mr. POTTER. They come from England and Germany, principally.

Mr. RANDELL. What per cent of that is the trade in this country?

Mr. POTTER. I say that we manufacture in this country, as near as I can get at it, about 36,000,000 yards.

Mr. RANDELL. But you claim that the market is now about 80 to 90 per cent controlled?

Mr. POTTER. Eighty per cent.

Mr. RANDELL. Eighty per cent?

Mr. POTTER. Yes.

Mr. RANDELL. And you control it?

Mr. POTTER. Yes.

Mr. RANDELL. And that is practically on the goods of lower price?

Mr. POTTER. Yes.

Mr. RANDELL. And they are the goods most universally sold?

Mr. POTTER. Yes.

Mr. RANDELL. So that the tax is harder on the man of moderate means and the poor man than it is on the richer?

Mr. POTTER. Not necessarily.

Mr. RANDELL. It is on the quality of goods he uses, is it not?

Mr. POTTER. Yes.

Mr. RANDELL. Is this business in such a condition that if the tariff was taken off your raw material, and on the finished product as well, you could still run?

Mr. POTTER. No.

Mr. RANDELL. You would have to close out, then?

Mr. POTTER. Yes.

Mr. RANDELL. Do you mean that the making of linoleum would close out in this country if it were not for the tax?

Mr. POTTER. Yes.

Mr. RANDELL. I am asking you that for information.

Mr. POTTER. Yes; I believe it would, on account of the difference in labor.

Mr. RANDELL. It would just close out?

Mr. POTTER. We probably would struggle.

Mr. RANDELL. I asked you if you thought it would close out?

Mr. POTTER. Well, I do not know.

Mr. RANDELL. What is your opinion about it?

Mr. POTTER. That we could not make any money.

Mr. RANDELL. Do you think it would stop business in this country?

Mr. POTTER. It would stop it largely.

Mr. RANDELL. What per cent?

Mr. POTTER. I do not know.

Mr. RANDELL. In your opinion, what per cent would it stop it?

Mr. POTTER. Why, I never thought of it.

STATEMENT OF J. CRAWFORD LYON, OF BALTIMORE, MD., WHO CLAIMS THAT THE PRESENT DUTIES PRACTICALLY EXCLUDE CERTAIN GRADES OF OILCLOTH AND LINOLEUM.

SATURDAY, *December 19, 1908.*

(The witness was sworn by the chairman.)

The CHAIRMAN. You reside in Baltimore, Md.?

Mr. LYON. Baltimore, Md.

The CHAIRMAN. And you appear on the subject of linoleum?

Mr. LYON. On the subject of oilcloth and linoleum.

The CHAIRMAN. About how much time do you want?

Mr. LYON. I suppose twenty minutes will do.

The CHAIRMAN. Thirty minutes?

Mr. DALZELL. He said twenty minutes.

Mr. LYON. I would prefer thirty minutes. I think I will interest you sufficiently so that you will give me thirty minutes.

Mr. UNDERWOOD. What is the paragraph you want to talk about?

Mr. LYON. Paragraph 337. Mr. Chairman and gentlemen of the committee, I appear before you to point out the apparently overlooked and obscured effect of the application of paragraph 337, Schedule J, on the subject of oilcloth and linoleum, including cork carpet and inlaid linoleum. As it now exists in the phraseology, if under 12 feet wide it bears a specific duty of 8 cents a square yard and 15 cents ad valorem; 12 feet and over, 20 cents a square yard and 20 per cent ad valorem; inlaid linoleum, 20 cents and 20 per cent ad valorem; linoleum of more than one color penetrating the surface, 20 cents and 20 per cent ad valorem. Likewise, I would point out the effect if made to conform to the desires of manufacturers for whom on the 30th of November Mr. H. A. Potter, of Philadelphia, spoke before you and whose utterances as they appear in the record of hearings of that date, are easily shown to be contradictions of his own public statements two weeks specifically, and for many months generally, before his talk to you. Oilcloth is a coated and painted cloth of cotton or of jute, which is of low first cost, in all widths, with or without a printed figure, and on a varnished surface. The cotton cloths used are produced in this country in all needed widths, and are cheaper here than abroad, the great bulk of the millions of yards coated and printed being so-called muslin or sheeting 44 to 48 inches square, costing from 4 cents to 5 cents per square yard, as cotton fluctuates.

The jute cloths used are plain woven fabrics, known as "burlaps," weighing from 8 ounces to 10 ounces per square yard, counting 12 threads more or less each way per inch, in widths of from 60 to 150 inches, and costing in the primary markets of Dundee and Calcutta from 4 to 5½ cents per square yard, the narrowest being about 1 cent per square yard cheaper than the widest of the same weight and count. Current market quotations now or heretofore fix this fact. The existing duty on burlaps over 60 inches wide is 45 per cent ad valorem. Thus, domestic makers of floor oilcloths and linoleum are taxed on an average of 2 cents per square yard on their jute foundation cloth. It can be shown that this is the extent of their contribution to the duties collected on raw materials they use, as the remainder are

either duty free or originate in this country, and are cheaper here than abroad, foreign makers using them. Consul J. C. McCunn, of Glasgow, states in his report on the subject that oilcloth and linoleum makers in Scotland use ocher chiefly obtained from America. Rosin is obtained from the United States, and linseed oil is procured from Russia, India, the United States, and Argentina.

It is quite clear this committee in 1897 overlooked the fact that the importation of several grades and descriptions of oilcloth would be prohibited by the tax then and now imposed, and this prohibition has applied to five separate descriptions, used throughout the world, and in this country more than in any other, and of which, by the census of 1905, there was produced in this country nearly 75,000,000 square yards, valued at more than \$9,000,000. I have here the two extremes [exhibiting samples]. The cloth in my left hand is the production of Messrs. Thomas Potter, Sons & Co., of Philadelphia. It weighs two-thirds of a pound per square yard. Its value is 8. to 9 cents per square yard. The duty provided for it is 8 cents per square yard and 15 per cent ad valorem. Consequently it has been prohibited, so far as importation of it is concerned, and the price at which they sell it is quite discretionary with themselves, and those like themselves engaged in making it. In the other hand I hold a piece produced by the Nairn Linoleum Company, of which Mr. George McNairn is the managing director. It weighs twenty times the weight of the piece in my left hand, and it sells for ten times the price of the piece in my left hand, and yet the duty is only 8 cents per square yard and an ad valorem duty of 20 per cent.

Mr. DALZELL. What are you advocating, an ad valorem duty or a reduction of the duty or raising it?

Mr. LYON. When I have finished you will find my suggestion, if I may be permitted to make one, is to abolish the specific duty, to abolish that penalty which has been put upon certain widths. No tariff ever heretofore provided that there should be a higher duty on cloth 12 feet wide than on cloth less than 12 feet wide. There was produced, according to the census of 1905, of floor oilcloth over 21,000,000 square yards, valued at three and a half million dollars, at an average price per square yard of 16½ cents, with a duty on that under 12 feet of 65 per cent ad valorem and over 12 feet of 145 per cent ad valorem. Of enameled oilcloth 11,000,000 square yards were produced, at a value of \$1,500,000, at an average price of 13½ cents, with an ad valorem duty of 75 per cent. There is no indication in the proposed change in paragraph 337, as printed, that your committee intend to alter this condition by removing the specific tax and the monstrous penalty imposed on widths 12 feet and over, although no tariff act prior to 1897 penalized the width of these goods. Demands of makers in this country have grown by what they have been fed on, and having overcome all opposition and secured in 1897 the granting of their demands, including the novelty of a penalty on widths 12 feet and over, they now ask that the penalty be applied to 7 feet and over. The effect of 20 cents per square yard and 20 per cent on a floor oilcloth 10¼ or 7½ feet wide, valued at 15 cents per square yard, including 7 cents per square yard for the jute foundation, exceeds a tax of 150 per cent. Although oilcloths for floors are the only kind of oilcloths now produced in this country exceeding 7 feet in width, it may be found desirable or necessary to produce wide table oilcloth

and enameled cloth for special purposes, such as curtains or tents for trees, to supply the coming demand Mr. Potter himself speaks of in his advertisements in the trade papers, February, 1908, as follows:

Probably the most novel use to which these goods have ever been put is as material for tent-like covers for fruit trees, to protect them from damage by frost. These tree tents are used in experiments to destroy "scale." After covering the affected tree, germ-destroying chemicals were burned beneath it, the enamel (paint) covering effectually confining the germicide gases.

Now, fancy the effect of the tax which Mr. Potter, speaking for manufacturers, asks on widths of oilcloth exceeding 7 feet, that is 20 cents a square yard and 20 per cent, with the cloth used for tables and for tree curtains or tents costing about 8 cents per square yard to produce, and the productive capacity of the works in this country producing painted, printed, or varnished cotton cloth equal to and able to supply the demands of the world. On this point I refer you to Commercial America, of June, 1908, published by the Philadelphia Commercial Museum, as follows:

American factories are able to produce all kinds of linoleum and oilcloth to compete in foreign markets with those of British make.

In this journal, Commercial America, Potter Sons & Co., G. W. Blabon Company, both of Philadelphia; The Nairn Company, of Newark, N. J.; and the Standard Oilcloth Company advertise and seek in this way buyers in foreign countries for their products. Of the Standard Oilcloth Company, operating five works exclusively in converting cotton cloth into oilcloth, located one each in New Jersey, New York, and Illinois, and two in Ohio, Moody's Manual of Industrial Shares states:

Standard Oilcloth Company. Incorporated May 2, 1907, in New Jersey, and succeeded to the assets and property of the Standard Table Oilcloth Company, which was formed in 1901 to consolidate the leading manufacturers of light-weight oilcloth (cotton-back oilcloth) in the United States. The company has a productive capacity of nearly twice the amount of light-weight oilcloth (cotton-back oilcloth) consumed in the United States. Capital stock, \$6,000,000; 6 per cent preferred, \$3,000,000; common, \$3,000,000; par value of shares \$100. Preferred stock is cumulative.

Manufacturers' requirements, as set forth by Mr. Potter, call for 20 cents per square and 20 per cent ad valorem on widths of 7 feet wide and over, applicable to oilcloths for floors, plain, stamped, or printed, including linoleum, corticene, and all oilcloth or other fabrics or coverings for floors made in part of oil.

This proposition works out a legislative profit for makers in this country of more than 250 per cent on the cost of production of table oilcloth and enameled cloth 7 feet and over in width, which, though not made now, may be, as required, without difficulty; and oil opaque or semiopaque window-shade cloth, now produced 8 feet wide by coating and painting cotton cloth, valued at about 10 cents per square yard in its finished state, would be taxed 220 per cent ad valorem under the artful provision covering all oilcloth or other fabrics made in part of oil.

Mr. LONGWORTH. What business are you in?

Mr. LYON. I am a merchant.

Mr. LONGWORTH. Are you an importer of oilcloth or linoleum?

Mr. LYON. And an exporter; both ways.

Mr. LONGWORTH. Do you manufacture it?

Mr. LYON. No, sir; but I have made it my business to know how it was done, and I appeared before the committee in 1890, 1894, and 1897; and on the 30th of last month a hearing was given, in which Mr. Potter appeared for the manufacturers and Mr. Smith, a lawyer of New York, appeared for three or four New York importers, but I did not have my name on the list and was not called, so that I sought the first opportunity I could to come before you and state my side of the case.

Should this request for a penalty on widths 7 feet wide and over be withdrawn, the tax of 8 cents per square yard and 15 per cent ad valorem is still a prohibitive tax on floor oilcloth, table oilcloth, and enameled oilcloth, shelf and wall oilcloth, and all cloth of cotton or jute converted into oilcloth by whatever name known, of which, as I have said, the census of 1905 states about 75,000,000 square yards were produced in this country, valued at \$9,201,548, averaging a value of 12½ cents per square yard. With the large additions to capital and capacity, widely and well known to have been applied to the production of these goods since 1905, a far greater volume and value were produced in the three years since, though no statistics are available. Indeed no statistics are needed beyond quoting Mr. Potter himself on the subject. He said:

In face of the traditional excellence of British linoleums and oilcloths Potter goods have a steady and growing market in England and her dependencies, the shipments including all items of the Potter line. The demand for carriage goods particularly is interesting, in view of the exacting requirements of British carriage makers. The success of the Potter organization in building up an export trade and the service that trade did in keeping the Potter wheels turning during the recent depression lends point to Blaine's paraphrase of Washington's famous saying, "In time of prosperity prepare for depression."

We now come to linoleum.

Mr. RANDELL. Where was that quotation from?

Mr. LYON. I am simply repeating the published letter of Thomas Potter Sons & Co. to the trade. He says:

The success of the Potter organization in building up an export trade and the service that trade did in keeping the Potter wheels turning during the recent depression lends point to Blaine's paraphrase of Washington's famous saying, "In time of prosperity prepare for depression."

By that I suppose he means "In time of peace prepare for war."

We now come to linoleum, including cork carpet, granite plank, and inlaid linoleum. This class of floor covering is produced in this country by the following firms and corporations:

Name.	Location.	Began.	Capital.	Credit.	Operated by—
American Linoleum Co.	Staten Island, N. Y.	1875	\$500,000	Highest ..	Wild & Co.
Blabon Co.....	Philadelphia, Pa. . .	1887	1,000,000	Unlimited	Blabon Co.
Nairn Co.....	Newark, N. J.	1888	1,000,000	...do	W. & J. Sloane.
Potter Co.....	Philadelphia, Pa. . .	1891	1,000,000	...do	Potter Co.
Trenton Co.....	Trenton, N. J.	1898	500,000	Highest ..	Cook's, Trenton, N. J.
Farr Bailey Co.....	Camden, N. J.	1899	1,000,000	Unlimited	F. & B. Co.
Chicago Linoleum Co.....	Chicago, Ill.	1903	.....	.....	Euston's, Chicago.
Armstrong Cork Co.....	Lancaster, Pa.	1908	1,000,000	Unlimited	A. Cork Co., Pittsburg.

The census of 1905 returns in Table 4 the production as follows—

The CHAIRMAN. Your twenty minutes has expired. How much more have you got of this?

Mr. LYON. I hope I have interested you enough to induce you to extend the time.

The CHAIRMAN. Well, proceed.
Mr. LYON. These figures are as follows:

	Square yards.	Value.	Average value per square yard.
Linoleum, including cork carpet.....	14, 765, 284	\$4, 223, 992	Cents. 28½
Inlaid linoleum	2, 126, 178	1, 104, 808	52
Total	16, 891, 462	5, 328, 800	.....
The imports for 1905 (see census table No. 5, all kinds included).....	3, 508, 855	1, 220, 372	.....

It is widely and well known that since 1905 several producers have enormously increased their production, though particulars are not available. As an example of what began in 1905 and has continued since, we submit that the Nairn Linoleum Company, of Newark, N. J., increased their share capital by resolution of October 27, 1905, \$1,000,000, and filed the certificate of increase on December 11, 1906, thereby raising the capital represented by grounds, buildings, machinery, and so forth, from \$1,000,000 to \$2,000,000, and this increase has been reflected in their production since 1905. The Blabon Company have published in the carpet-trade papers, over their name, during the past year the following:

No development or improvement in manufacturing methods or machinery has been overlooked in our great plant. From our advent as producers of linoleum this department of our business has grown with a rapidity which can only be attributed to the recognition by the trade of the superior quality produced at our mill. Owing to the fact that we oxidize our own linseed oil, and have direct control over practically all the ingredients entering into the processes employed in the production of linoleums, we possess peculiarly favorable facilities for accomplishing results.

The ascendancy of American manufacture is typified in linoleum as in the great majority of this country's products. The ingredients used in Blabon's linoleum are the kinds employed in the highest standard, reputable makes, either foreign or domestic. Our financial resources and skill in purchasing department command the utmost excellence in materials and best service from those who supply them. In one feature we hold an almost exclusive position. We crush the seed in our own works to produce the linseed oil used in all our goods.

The Potter Company, over their own name in carpet-trade papers, have published since 1905 numerous announcements of increased production, a sort of continuous performance, of which we submit the following:

November, 1907: The Potter Company has fortified itself against all emergencies by increasing its manufacturing facilities fully one-third. The significance of this is apparent to those who are familiar with the enormous output of the Potter mill.

February, 1908: It was not until the year 1892 that a successful high-speed printing machine for the printing of oilcloths and linoleums was built, and this was installed at the Potter plant. Since that time the Potter Company has built another machine of the same type, and these two are to-day the only high-speed machines of the kind in the world. This machine has a range of from 3 to 9 colors, working on an area of about 120 square yards at one time. In the old-fashioned way of hand printing two men working together can print about 150 square yards a day. In the Potter plant each machine produces approximately 8,000 square yards daily, doing the work of over 100 men.

August, 1908: An interesting side light on the linoleum industry has been brought out by some figures published by the United States Census Office concerning the production of linseed oil. Something like \$30,000,000 worth of

linseed oil is made annually it appears, and out of this the Potter Company takes more than any other single consumer—more than even the paint manufacturers doing a national business.

September, 1908: Enamel goods of the Potter brands are the subject of numerous inquiries from carriage and automobile makers in various parts of the country and abroad. A larger consignment than usual was shipped to Buenos Aires, Argentina, a few weeks ago. The bulk of Cuban orders reflects the settled condition of affairs in that island, which for years has been a good customer for Potter goods. Mexico, too, has been represented by orders aggregating a large yardage, especially of floor oilcloths.

The CHAIRMAN. Have you got halfway through with what you are reading there?

Mr. LYON. Yes; I am nearly through. I will not tax your patience much longer.

The CHAIRMAN. I was going to suggest that you print the rest of it in the record.

Mr. LYON. There is one point I wish specially to bring to your attention, a statement which Mr. Potter made in the press two weeks before he appeared here, a statement that is practically contradictory of what he said here.

The CHAIRMAN. It is impossible for the committee to follow you in your rapid reading of it, and it will save our time and yours if you will simply print it in the record and not read it.

Mr. LYON. I have only two pages more.

The CHAIRMAN. All right; go ahead; persist in it.

Mr. LYON (reading):

October, 1908: The demand for Potter goods in Mexico, Panama, Australia, and India this season far exceeds that of any previous year. The constantly increasing demand for Potter cork carpets has caused a slight congestion. Additional equipment is now overcoming it.

July, 1908: To-day the reserve stock is going out by train loads, and every man and every machine is worked to the limit. A third inlaid machine has lately been installed in the Potter mills, increasing the capacity by one-half. Yet all three machines are pushed to their capacity to supply Potter inlaid. In granites, the Potter initiative has multiplied the output tenfold by putting in a machine that does in one day what hand labor took two weeks to perform. This successful application of machinery to the making of granites marks a new departure.

November, 1908: Given a product that justifies its reputation, American goods find a market in any part of the world. In face of the traditional excellence of British linoleums and oilcloths, Potter goods have a steady and growing market in England and her dependencies, the shipments including all items of the Potter line. The success of the Potter organization in building up an export trade kept the Potter wheels turning during the recent depression.

Mr. Chairman, a reasonable reflection on the admitted enormous increase of production in this country since 1905 of linoleum, including cork carpet, granite linoleum, and inlaid linoleum, by the six producers using the most ingenious labor-saving devices should convince you that no matter how much the imports of these goods have increased since 1905 they are in fact but a fraction of the consumption which has grown, because the people want the goods in the furnishing of their homes, libraries, churches, business and other public places. Mr. Potter stated that the specific duty is needed as a compensation duty for higher cost of materials, and he could not go on without it. I have shown you this is false, as the only imported ingredient on which a duty is paid which is used in the production of linoleum, including cork carpet and inlaid linoleum, is the 8 ounces to 10 ounces of jute cloth or burlap, and that this is bought in the

primary markets of Dundee, Scotland, and Calcutta, India, from 4 cents to 5½ cents per square yard, according to texture, the widest cloth, 150 inches, being sold for about 1 cent per square yard more than the narrowest used of the same count and weight, and the duty will not average more than 2 cents per square yard on this foundation cloth, of all weights and widths, consumed.

I am able to show you that the method of production and material used are the same in the lowest priced as in the highest priced linoleum; that thickness governed by the distance between compressing rollers fixes the quality and value. I am prepared to submit to you samples of linoleum weighing 2 pounds per square yard now taxed specifically the same as linoleum weighing 13½ pounds per square yard. Hence, by weight, the cheapest bears a burden nearly seven times greater than the dearest, used by the rich. I will also submit, if you will allow me, that form of linoleum called "cork carpet," composed of the same material in all respects as linoleum that is not designated "cork carpet," differing from it only in the grinding of the cork and proportion of binding oil. The weight per square yard is as low as 2½ pounds in the cheapest and more than three times that weight in the best, thickest, and highest priced. Hence the low-priced, light-weight cloth is not imported, because the duty of 20 cents per square yard and 20 per cent ad valorem prohibits it, and the effect of this duty bears with three times the severity on the least weight and price compared with the greatest. Consul McCunn, of Glasgow, reported, and his letter is to be found in Consular and Trade Reports, October, 1908, as follows:

Cork carpet is exactly the same mixture as linoleum, but the cork for this material is not ground so finely, and consequently gives a more spongy effect to the completed article.

Mr. Chairman, it is for you and the committee to decide if the injustice of taxing cork carpet at a rate differing from and higher than the rate imposed on linoleum is to continue.

I now come to granite linoleum. This is an article made as cheaply as plain linoleum, of one color throughout. The prepared material is variegated, and is thrown upon and fixed to the foundation cloth just as though it were of one color, and its value depends on its thickness and weight per square yard just as the value of plain one-color linoleum is graded, and there is not the slightest justification for taxing it at a rate higher than that imposed on linoleum variegated in color by printing on its surface.

In conclusion, I call your attention to inlaid linoleum. This is an article entirely different in construction from linoleum, plain, printed, or granite. The materials used are cork flour, wood flour, clays, and ochers, otherwise called "pigment," variously colored, combined as a cement by the use of a binding substance. The patterns are produced in two ways and the colors go through to the foundation cloth, which is the same 8-ounce to 10-ounce burlap spoken of already.

The CHAIRMAN. Having read three more pages since you said that was the last of it, you may print the rest.

Mr. LYON. This is all.

The CHAIRMAN. Well, you print that.

Mr. UNDERWOOD. I want to ask Mr. Lyon some questions.

The CHAIRMAN. The gentleman from Alabama desires to ask a question.

Mr. UNDERWOOD. What is the amount of consumption of linoleum in the American market?

Mr. LYON. The statistics available can not be brought forward outside of 1905.

Mr. UNDERWOOD. What were they then?

Mr. LYON. In 1905? You speak of linoleum or oilcloth?

Mr. UNDERWOOD. I am going to ask you for them separately, if you have it that way.

Mr. LYON. Yes, sir; I have it separately.

Mr. UNDERWOOD. Then please give it separately.

Mr. LYON. The production of linoleum, including cork carpet, in the census of 1905 is 14,765,000 square yards, valued at \$4,223,000.

Mr. UNDERWOOD. What was it of oilcloth?

Mr. LYON. That linoleum was of an average price per square yard, as produced in the United States, of 28½ cents. It is proposed on that, Mr. Chairman, to—

The CHAIRMAN. We have the statistics all here which the gentleman is calling for.

Mr. UNDERWOOD. What percentage of linoleum is imported into this country in proportion to the consumption?

Mr. LYON. I have only given you linoleum, including cork carpet, and there is to be added to that inlaid linoleum. As I understand, you want the quantity of linoleum produced in the United States and the quantity imported into the United States for the year 1905?

Mr. UNDERWOOD. Yes.

Mr. LYON. You have only put down one item. Now, will you take the other, or do you not want that?

Mr. UNDERWOOD. Yes; go ahead.

Mr. LYON. The quantity of linoleum, including cork carpet, produced in 1905 was 14,765,000 square yards, valued at \$4,223,000, at an average value per square yard of 28½ cents. The quantity of inlaid linoleum was 7,126,000, valued at \$1,104,000, and the average value of that is 52 cents per square yard. That was the product in the United States in 1905, as reported by the census.

The imports for 1905, according to table 5, consisting of all kinds and descriptions, were 3,508,000 square yards, valued at \$1,220,000.

Mr. UNDERWOOD. That makes about 25 per cent that was imported?

Mr. LYON. No; about 20 per cent. But then there was produced in addition to that 75,000,000 square yards of oilcloth of all kinds and descriptions, valued at \$9,000,000, and there were 91,000,000 square yards produced in the United States, valued at \$14,000,000.

Mr. UNDERWOOD. That is oilcloth?

Mr. LYON. Oilcloth and linoleum of every kind. My contention is that paragraph 337 should be reconstructed entirely, so that the tax bears with some degree of equality on all consumers, and that the man who uses this high-priced stuff and pays the 25 per cent duty on it—

Mr. UNDERWOOD. If I understand you right, now, on the cheaper oilcloth the duty is practically prohibitive?

Mr. LYON. It is; not practically, but actually.

Mr. UNDERWOOD. While on the high-grade goods there is a moderate tax?

Mr. LYON. On the one grade we have 8 cents a square yard and 15 per cent ad valorem and the value is 8 cents, while on the other,

the value of which is 85 cents, it is 20 cents a square yard and 20 per cent ad valorem. On this quality, the value of which is 8 cents per square yard, the specific duty is the same, 100 per cent, and in addition to that there is 15 per cent ad valorem.

Mr. UNDERWOOD. Then, if I understand you, your contention is that the duty is not adjusted according to the ordinary tenets in levying a tax?

Mr. LYON. Yes; I think—

Mr. UNDERWOOD. Will you let me ask my question and then answer it? You have got the heavy tax on the cheap commodity that is used by the masses and the low tax on the high-priced article that is a luxury?

Mr. LYON. Yes.

Mr. UNDERWOOD. And for that reason you think the schedule should be readjusted?

Mr. LYON. Yes, sir.

Mr. UNDERWOOD. That is all I wanted to ask.

The CHAIRMAN. That is all.

Mr. LYON. I am very much obliged to you for your indulgence.

The CHAIRMAN. What is that?

Mr. LYON. I say I am very much obliged to you for your indulgence, and I want to say that I was very glad to hear of a remark that you made, that you were approaching the revision of the tariff with an open mind, and that you had formed and expressed no conviction as to what you thought should be done.

The CHAIRMAN. We have given you nearly twice as much time as you asked for. You may print anything else that you have there in your paper.

Mr. LYON. Thank you.

SUPPLEMENTAL BRIEF FILED BY W. WICKHAM SMITH, NEW YORK CITY, FOR IMPORTERS OF OILCLOTHS.

NEW YORK CITY, *December 10, 1908.*

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

GENTLEMEN: On Monday, November 30, 1908, I had the honor of presenting some suggestions to the committee as to the duty upon oilcloths, linoleum, and cork carpets. I appeared for the importers of these articles at the port of New York.

Immediately after I had been heard by the committee, one of the leading manufacturers, Mr. Henry A. Potter, of New York City, made some suggestions on behalf of the American manufacturers. In view of his statements I beg leave to submit a supplemental brief on this subject.

Mr. Potter suggested two important changes in the existing law, namely:

First. That the dividing line as to width between the oilcloths and linoleums which should pay 8 cents a square yard and 15 per cent ad valorem, and those which should pay 20 cents per square yard and 20 per cent ad valorem should be 7 feet instead of 12 feet.

Second. That all oilcloths, or other floor coverings, the composition of which forms designs or patterns, whether inlaid or otherwise, and whether known as inlaid granite, plank linoleum, or cork carpet, or by any other name, should pay 20 cents per square yard and 20 per cent ad valorem.

The suggestion of the manufacturer as to width is most unreasonable. Even the existing law on this question of width is unreasonable, and the reason why a most vigorous protest was not made against it at the time it was enacted was because the making of wider linoleum was a comparatively infant industry in this country in 1897, and although the difference in rate was regarded as excessive the importers, for the reason given, did not see fit to contest the manufacturers' position. To renew the suggestion at the present time, however, and to suggest changing the dividing line from 12 to 7 feet is a policy which can not be defended. As we have already shown, the manufacturers control 90 per cent of the business (Mr. Potter admits they have 80 per cent), and they have the whole market on cheap grades of oilcloth used by the poorer classes, for the present duty is prohibitory. Every manufacturer of oilcloth and linoleum in this country is now equipped with machinery to make goods wider than 6 feet. The difference in cost in making the wider goods is only about 2 or 2½ cents a square yard, because they have to use the wider burlaps which cost the extra amount of 2 to 2½ cents a square yard. The proportionate expense of labor is less on the 12-foot goods than on the 6-foot goods, as it is more economical at the factories to turn out one roll 12 feet wide than two rolls 6 feet wide. It means less handling, less packing, and less everything. To cover this increased cost of 2½ cents the manufacturers are asking for a difference of 12 cents a square yard and 5 per cent ad valorem. If the duty on burlaps should be reduced, or burlaps should be put on the free list, the duty on these articles should be proportionately reduced.

It should be further noted that the very heavy proposed increase on linoleum over 7 feet wide will not merely injure the business of dealing in wide linoleum, but will also very seriously cripple the business of dealing in linoleum less than 7 feet in width. The goods are produced in the same quality and pattern and are used together. Dealers buy both widths, as it is sometimes economical to use a piece of wide width and a piece of narrow width together instead of having to cut into two pieces of the wide width. A manufacturer making only 6-foot wide goods is unable to compete successfully with the manufacturer making both widths. As the large trade, particularly in the Western States, is done in carload lots, the manufacturer who can supply both widths gets the business. If the importers are compelled to pay the duty of 20 cents a square yard and 20 per cent ad valorem on all oilcloths and linoleums 7 feet wide and over, it means that they will not only be absolutely effectively barred from importing a yard of oilcloth or linoleum wider than 6 feet, but being unable to supply those widths they will lose a large proportion of their business on the 6-foot goods. Experience has shown that it is impossible to sell any considerable quantity of 6-foot wide plain or printed linoleums over a large section of the United States where wide goods are in demand, unless the seller can also supply 6-foot wide goods, for the reason that the trade must have similar patterns of printed, or colors

of plain, linoleum of both widths to lay side by side in rooms of large dimensions. The 12-foot wide linoleums are becoming so universally used with, or instead of, the 6-foot wide goods, that no importer could interest the larger handlers of these goods in any of his qualities unless he was able to offer 12-foot wide goods. The adoption by Congress of the language proposed by the manufacturers, as represented by Mr. Potter, would therefore deal a crushing blow to the importing industry, which, as has been already shown, now constitutes about 10 per cent as the importers allege, or 20 per cent as the manufacturers concede, of the entire business of the country.

Equally unreasonable is the suggestion that figured linoleums, such as granites and oak planks, should be subjected to the high duties laid on inlaid linoleums. The courts have held both in Boston and New York that these goods belong in the class with plain linoleums and not in the class with inlaid linoleums. In the litigations it was shown that it cost more to make inlaid linoleum than to make plain linoleum, but that it does not cost any more to make granite and oak-plank linoleums than it does to make the plain goods. That this evidence was true is indicated by the fact (which can not be denied) that the domestic manufacturers sell these goods at the same price as the plain linoleums of the same thickness. Inlaid linoleums are made on very costly and intricate machinery, which is not used for the manufacture of granite and oak-plank linoleums. The manufacturers need no protection on granite and oak-plank linoleums greater than that which they have on plain linoleums, and their asking for it is simply an effort to bar out these imported articles, absolutely control the output, increase the prices, and thus at one and the same time diminish the revenues of the Government and add an increased burden on the consumer.

One of the unreasonable concessions which the manufacturers obtained in 1897, and which they now ask to have renewed, is the imposition of the higher duty on cork carpets. Cork carpet is nothing but a linoleum under another name, being composed of the same ingredients. The only difference is in the treatment of the raw materials in the making up of the cloth, but there is no difference in the cost of production. There are three grades of cork carpet known to the trade—A, B, and C. The effect of the discrimination in the present law has been to absolutely bar out two of these qualities, B and C, and to greatly restrict the importation of the quality A. This unnecessary and unjust concession to the domestic manufacturers should be corrected in the new law by putting cork carpet in the same classification with plain linoleum.

Mr. Potter states that "the American manufacturers have been and are contributing more than their proportion of support to the United States Government." As a reason for this claim he states in the next sentence but one that "the importers of oilcloth and linoleum paid in duties during the year 1907 a million and a quarter of dollars." The only theory on which Mr. Potter's argument can be considered as logical is that the manufacturers have contributed more than their proportion of support to the Government because they have made the importers pay a million and a quarter dollars duty.

Mr. Potter states that the duty is not excessive, as is shown by the revenue derived on this product by the Government from the imports.

We have already shown that the excessive duty has been found to be prohibitory and has barred out all cheap grades of oilcloths and certain grades of cork carpet, which, under a reasonable tariff, would be imported and increase the revenues.

It will be seen by Mr. Potter's statement that he admits that the domestic manufacturers control 80 per cent of the market (we claim it is 90 per cent) and that he admits that the tax is harder on the man of moderate means and the poor man than it is on the richer, on the quality of goods he uses. These two admissions seem to us to convincingly prove that there is something wrong in the present situation, which the domestic manufacturers now propose to change for the worse.

I beg to submit as an exhibit a table showing the extent to which the imported article undersells the foreign product. The figures are based on the foreign price of one of the leading importers of this city.

W. WICKHAM SMITH.

EXHIBIT A.

Eight cents per square yard and 15 per cent ad valorem schedule compared with similar grades of British manufacture.

FLOOR OILCLOTHS.

Article.	Nalrn.	Dunn.	Potter.	Blabon.	Sampson.	Ameri- can.
Floor oil:	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
No. 1 grade.....	34	34	33	28	32½	34
Less 35, 6, and 4 per cent.....	13.84					
	20.16					
No. 2 grade.....	31	31	31½	26	.....	31
Less 35, 6, and 4 per cent.....	12.61					
	18.39					
No. 3 grade.....	29.50	29½	29	24	.....	29½
Less 35, 6, and 4 per cent.....	12.01					
	17.49					
Imported article, British make.	Net Brit- ish price.	Duty per square yard.	Landed cost.	Percentage of duty to British cost.	Net differ- ence in price per yard in favor of American makers.	
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Per cent.</i>	<i>Cents.</i>	
E floorcloth, 10½d. less 10 and 2½ per cent....	18.88	10.83	29.71	57.04	9.55	
A floorcloth, 9½d. less 10 and 2½ per cent....	17.12	10.57	27.69	60.17	9.30	
O floorcloth, 8½d. less 10 and 2½ per cent....	15.14	10.27	25.41	66	8	

NOTE.—Blabon's list is on a 25 per cent discount schedule. All these makes, while the list may vary somewhat, *net* substantially alike.

Eight cents per square yard and 15 per cent ad valorem schedule compared with similar grades of British manufacture—Continued.

PRINTED LINOLEUMS.

Article.	Potter.		
	Price.	Less discounts.	Net.
C quality 8/4.....	Cents. 65	Cents. 26.46	Cents. 38.54
C quality 16/4.....	75	30.54	44.46
D quality 8/4.....	51	20.77	30.23
D quality 16/4.....	61	24.84	35.16
E quality 8/4.....	45	18.32	26.68
E quality 16/4.....			

Imported article, British make (11' 11").	Net British price.	Duty per square yard.	Landed cost.	Percentage of duty to British cost.	Net difference in price in favor of American makers per square yard.
	Cents.	Cents.	Cents.	Per cent.	Cents.
C quality 8/4, 1/7 } 10 per cent and 2½ per cent.....	33.34	13.00	46.34	39	7.80
C quality 16/4, 1/9½ } cent.....	37.74	13.66	51.40	36	6.94
E quality 8/4, 1/3 } 10 per cent and 2½ per cent.....	26.32	11.95	38.27	41.60	8.04
E quality 16/4, 1/5½ } cent.....	30.72	12.61	43.33	40	7.17
X quality 8/4, 1/1½ } 10 per cent and 2½ per cent.....	23.26	11.48	34.74	49	8.06
X quality 16/4, 1/1½ } cent.....	27.66	12.14	39.80	44	(e)

* Not made by American makers, yet they undersell the importers on the higher grade D.

GRANITES AND OAK PLANKS.

Article.	Potter. ^a	Wild.	Nairn.	Trenton.	Farr & Bailey.
Granite.....	Cents. 85		Cents. 75	Cents. 75	(b)
Less 35, 5, and 4 per cent.....	34.61		30.54	30.54	(b)
Nets.....	50.39		44.46	44.46	(b)
Oak plank.....			75		75
Less 35, 5, and 4 per cent.....			28.20		28.20
Nets.....			46.80		46.80

Imported article, British manufacture.	Net British price in cents.	Duty per square yard.	Landed cost.	Percentage of duty to British cost.	Net difference in price in favor of American makers, per square yard.
	Cents.	Cents.	Cents.	Per cent.	Cents.
B granite (litigated), 1/8d. less 10 and 2½ per cent c.....	35.10	13.27	48.37	37.80	3.91
Oak plank (litigated), 2/3d. less 25 and 2½ per cent c..	39.50	13.93	53.43	35.26	6.68

^a Potter's granite is considerably heavier than other makes.

^b Same as Nairn Company.

^c Even at the lower duty rate (8 and 15 per cent) the domestic makers are able to undersell the importers.

4770 SCHEDULE J—FLAX, HEMP, AND JUTE, AND MANUFACTURES OF.

Eight cents per square yard and 15 per cent ad valorem schedule compared with similar grades of British manufacture—Continued.

PLAIN LINOLEUMS.

Article.	Potter. ^a		Wild.	Nairn.		Trenton.	Ferr & Bailey.	
	Price.	Net.	Price.	Price.	Net.	Price, net.	Price.	Net.
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
1/4-inch "battleship"				95	77 1/2			
A grade 8/4	82 1/2	48.91	82 1/2	82 1/2		82 1/2	82 1/2	48.97
A grade 16/4	92 1/2	54.84	92 1/2	92 1/2		92 1/2	92 1/2	54.84
B grade 8/4	72 1/2	42.98	75	72 1/2		72 1/2	72 1/2	42.98
B grade 16/4	82 1/2	48.91	85	82 1/2		82 1/2	82 1/2	48.91
C grade 8/4	60	35.57	62 1/2	s.60		60	60	35.57
C grade 16/4	70	41.50	72 1/2	70		70	70	41.50
D grade 8/4	51	30.24	54	51		51	51	30.24
D grade 16/4	61	36.16	64	61		61	61	36.16

Imported article, British manufacture.	Net British price in cents.	Duty per square yard.	Landed cost.	Percentage of duty to British cost.	Net difference in price in favor of American makers, per square yard.
	Cents.	Cents.	Cents.	Per cent.	Cents.
1/4-inch thick "battleship," 3/6 d. less 10 and 2 1/2 per cent	74.59	19.18	93.77	25.50	16.27
A quality 8/4, 2/3 1/2 } less 10 and 2 1/2 per cent	51.02	15.75	66.77	31	17.86
A quality 16/4, 2/6 }	55.29	16.29	71.58	29	16.74
B quality 8/4, 1/11 1/2 } less 10 and 2 1/2 per cent	43.00	14.45	57.45	33 1/2	14.47
B quality 16/4, 2/2 }	47.39	15.11	62.50	32	13.59
C quality 8/4, 1/5 1/2 } less 10 and 2 1/2 per cent	31.59	12.86	44.33	40 1/2	8.76
C quality 16/4, 1/8 }	35.98	13.40	49.38	37 1/2	7.88
E quality 8/4, 1/2 1/2 } less 10 and 2 1/2 per cent	26.33	11.95	38.28	45	8.04
E quality 16/4, 1/5 }	30.71	12.60	43.31	41	7.15

Twenty cents per square yard and 20 per cent ad valorem schedule, compared with equivalent grades of British manufacture.

INLAIDS AND CORK CARPETS.

Article.	Potter make.	Wild make.	Nairn make.	Trenton make.
A grade, inlaid	\$1.35	\$1.50	\$1.10	\$1.10
Less 35, 5, and 4 per cent .....	.5545	.6107	.4479	.4479
Nets .....	.7955	.8893	.6521	.6521
B grade, inlaid	1.15		1.05	1.05
Less 35, 5, and 4 per cent .....	.4683		.4275	.4275
Nets .....	.6817		.6225	.6225
C grade, inlaid .....			.95	.95
Less 35, 5, and 4 per cent .....			.3869	.3869
Nets .....			.5631	.5631
Cork carpet, A grade	1.20	1.25	1.05	1.20
Less 35, 5, and 4 per cent .....	.4886	.5090	.3948	.4886
Nets .....	.7114	.7410	.6552	.7114
Cork carpet, B grade .....			.90	1.05
Less 35, 5, and 4 per cent .....			.3442	.4275
Nets .....			.5558	.6225
Cork carpet, C grade ^b				

^a 35 per cent and 4 per cent.

^b Not made in the United States.

Twenty cents per square yard and 20 per cent ad valorem schedule, compared with equivalent grades of British manufacture—Continued.

Imported article, British make.	Net British price.	Duty per square yard (20 cents and 20 per cent).	Landed cost.	Percentage of duty to British cost.	Net difference in price per square yard in favor of American makers.
	Cents.	Cents.	Cents.	Per cent.	Cents.
A grade, Inlaid, 3s. 6d. less 25 and 2½ per cent.....	62	32. 40	94. 40	52. 25	a 16. 50
B grade, inlaid, 3s. less 25 and 2½ per cent.....	52. 64	30. 53	83. 17	58	a 17. 96
C grade, Inlaid, 2s. 6d. less 25 and 2½ per cent.....	43. 88	28. 78	72. 66	65. 59	a 16. 35
Cork carpet, A quality (¼-inch), average 2s. 8d. less 10 and 2½ per cent.....	56. 16	31. 23	87. 39	55. 60	17. 14
Cork carpet, B quality, average 2s. less 10 and 2½ per cent.....	42. 12	28. 42	70. 54	67. 47	11. 89
Cork carpet, C quality, average 1s. 10d. less 10 and 2½ per cent.....	38. 60	27. 72	66. 32	70	(b)

a Average.

b Not made in the United States.

Note that Nairn's B grade inlaid is heavier than imported A quality and their A grade is little or no heavier than B grade, the former being special tile patterns only, thus accounting for difference in price.

HENRY A. POTTER, OF NEW YORK CITY, FILES SUPPLEMENTAL BRIEF RELATIVE TO OILCLOTH AND LINOLEUM.

NEW YORK CITY, *January 14, 1909.*

Supplementing the brief which we filed November 30, 1909, we would respectfully submit the following:

There are three distinct classes of linoleum. First, plain linoleum, which is of one solid color rolled on the burlap. Second, printed linoleum, which is a plain linoleum with a pattern or design stamped or printed on the surface of plain linoleum.

These two classes are made either 2 yards wide or 4 yards wide and by reason of the words "Twelve feet" being inserted in the present law, the importers cut the 4-yard goods to 11 feet 11 inches and thus all goods of this class came in under the 8 cents per square yard and 15 per cent ad valorem.

The 4-yard goods cost more than the 2-yard goods and should pay a higher rate of duty.

We are willing to concede that they should not pay as much as in-laid and would therefore suggest that they pay a duty of 12 cents per square yard and 15 per cent ad valorem, but to cover this it would be necessary to change the words "Twelve feet" so that it will read "Seven feet."

The third distinct class of linoleum is the inlaid linoleum, which we would define as linoleum having a pattern or design which is formed by the composition going through, or partially through, to the back, and which is not printed on the surface. These are high-priced goods, made on expensive machines, and the labor cost is very much higher than in either plain or printed linoleum.

We would therefore ask that paragraph No. 337 be revised to read as follows:

Oilcloth for floors, plain, stamped, painted, or printed only, including linoleum, corticene, and all other fabrics or coverings for floors, made in part of oil, or any similar product, and all other oilcloths (excepting silk oilcloth) under seven feet in width, not otherwise provided for herein, eight cents per square yard and fifteen per centum ad valorem. Seven feet and over in width, twelve cents per square yard and fifteen per centum ad valorem, and all oilcloths or other fabrics or coverings for floors, made in part of oil, or any similar product of whatever width, the composition of which forms designs or patterns, whether inlaid or otherwise, and whether known as inlaid, granite, plank linoleum, or by any other name, and cork carpet, twenty cents per square yard and twenty per centum ad valorem.

H. A. POTTER,
*Representing the Floor Oil Cloth
and Linoleum Manufacturers.*

COLLARS AND CUFFS.

[Paragraph 338.]

**THE COLLAR AND CUFF MANUFACTURERS, OF TROY, N. Y., ASK
THAT PRESENT DUTIES BE RETAINED.**

NOVEMBER 30, 1908.

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: The collar, cuff, and shirt manufacturers of Troy, N. Y., and vicinity respectfully submit to your honorable body that the tariffs on the products of the industry in which they are engaged should not be altered or amended, unless said tariff rates shall be increased over those at present existing, for the following reasons:

The conditions effecting our industry are practically the same as in 1897 and the same need of protection exists to-day as at that time.

After eleven years' experience under the Dingley tariff of 1897, Schedule J, section 338, the collar, cuff, and shirt manufacturers have found that the protection to their industry afforded by the custom laws has enabled them to operate their business with success only by economizing at every possible point.

The spirited home competition has from year to year reduced the average price of our production and decreased the percentage of profit. It has also improved the quality of the lower priced goods to such an extent that they have become very popular and have been generally adopted, with the result that people are being supplied with acceptable collars at prices as low as it is possible to make them with a safe margin of profit.

Although more than three-fourths of the collars and cuffs made in this country come from the 30 manufacturers of Troy, yet each one is an independent business. There is no trade selling agreement or combination of any form among them for the restraint of trade.

The people of Troy and vicinity depend largely upon this industry for their support. It is the only remaining manufacturing in this district which gives employment to a large number of women. Ninety per cent of the employees are females and fully one-half of

the work is done in the homes of the families of this city and surrounding country.

Sixty per cent of the cost of production is paid for labor, and unquestionably the best paid employment for women in this part of our State is to be found in the collar and cuff factories of Troy.

The making of shirts is a considerable portion of the business of the Troy manufacturers, yet it is a more widely scattered industry. Our whole country is dotted with shirt-making factories of various sizes, of probably 700 in number, so that any lessening of duties on shirts will result in some hardship in every State of the Union.

American manufacturers with all their efforts have as yet secured no foothold in foreign countries, being unable to compete with the products of cheaper foreign labor.

The protection given to shirts and collars by the tariff laws, covering a period of more than a quarter of a century, has made it possible for a vast army of skilled help to grow up in this industry, so that we produce to-day the most excellent goods of their kinds, and it will not be possible to introduce economies to offset a reduction in duties. If any reductions in duties are made they will have to be met by reductions in the wages of employees, a course we think very undesirable.

We therefore respectfully urge your aid in having the present rates continued.

Very respectfully, yours,

JAMES K. P. PINE,
F. F. PEABODY,
ALBA M. IDE,
JAMES M. SNYDER,
Committee.

**THE COLLAR, CUFF, AND SHIRT MANUFACTURERS OF TROY, N. Y.,
FILE A SUPPLEMENTAL STATEMENT.**

TROY, N. Y., *December 1, 1908.*

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

GENTLEMEN: The undersigned, representing the collar, cuff, and shirt manufacturers of Troy and vicinity, respectfully urge that in your report upon the subject of tariff revision you will take the position that the regulations prescribed in the present law as affecting the subject of the manufacture of collars, cuffs, and shirts, as well as the products entering into that industry, should remain unchanged.

In support of that position we earnestly urge for your information and consideration the following facts and reasons, viz:

The merchandise and product in relation to which this application is made are collars, cuffs, and shirts, made either in whole or in part with linen and cotton cloth.

The paragraph of the present law which we understand affects this industry is section 338 of Schedule J.

The collar and cuff industry originated in Troy in 1833, and in seventy-five years it has grown steadily until it has become the chief resource upon which the prosperity of the community of Troy and

vicinity depends, affording employment and the sole means of livelihood to a large proportion of the working population of the city, as well as to large numbers in the adjacent neighborhoods.

In 1886 an unfortunate local agitation and strike created a scarcity of goods. It was then first discovered that German goods could profitably be imported. They were followed by the lower grades of English manufacture.

The importation of these foreign goods increased to the detriment of our manufacturers, until checked somewhat by the act of 1897, during which time the manufacturers of England, Germany, and Austria disposed of large quantities of goods in this country, but since 1897 the imports of collars, cuffs, and shirts have not increased.

Prior to 1897 it had been discovered that the influx of collars from abroad restricted home production, and that foreign goods were offered for export to the United States at less price than they were sold in their own market, and experience had shown that the rate of protection then afforded was inadequate. For that reason relief was provided in the Dingley bill. It is a fact, however, that European cheap labor still permits competition here, notwithstanding the protection now afforded, as the present tariff law is not prohibitive.

Over nine-tenths of the collars and cuffs made in this country are produced from the factories of the thirty manufacturers of Troy.

The making of shirts is a considerable portion of the business of Troy manufacturers, but it is a more widely scattered industry. There are shirt factories in most of the principal cities of the United States, fully 700 in number, and if the lessening of duties will result in hardship to the Troy enterprise, some hardship at least will fall likewise in every State in the Union.

These are the latest and best statistics obtainable with respect to the Troy collar, cuff, and shirt business: Number of employees, 30,356; average weekly wages, \$8.47.

Ninety per cent of the employees are females, and fully one-half of the work is done in the homes of the families of the city of Troy and surrounding country.

It is the only manufacturing industry in this district which gives employment to a large number of women and is unquestionably the best paid employment for women in this part of our State.

The people of Troy and vicinity depend largely upon this industry for their support—at least 30 per cent directly and 50 per cent indirectly.

This enterprise, which is thus the life of this locality, is not a huge industrial combination. There is no trade-selling agreement, combination, or trust in any form existing among the manufacturers for controlling or restricting trade. Each manufacturer operates independently, and consequently there is a spirited and keen competition, the effect of which is to promote the interests not only of employer and employed but to give the consumer a direct and positive advantage.

The average weekly wages received by the employees of the Troy collar and shirt factories were reported in 1893 to range between \$7.89 and \$8, but we find on investigating the subject that those reports were based upon the returns from one or two very high-class factories, and that, as a matter of fact, if all classes of Troy shirt and collar factories had been taken into account the rate would have been

lower; and, with proper allowance for the difference in the hours of work, \$7.50 is believed to be a reliable figure for the average wages paid in 1893.

The wage calculations made at this time have been very carefully prepared and are not estimates. They show that the average weekly wage for the year 1907 was \$8.47. This is an increase of 13 per cent to employees during that time.

The amount dispensed in this district for wages for the collar, cuff, and shirt industry for the year 1893 was \$4,380,000 and for the year 1907 they were over three times that amount.

Statistics show, as a result of the individual competition which prevails, that from year to year the percentage of cost to the consumer has decreased and the average price of the production has been reduced, while the wages of the laborers have increased.

The average price of collars to consumers in 1893 was 15½ cents; the average price to consumers in 1907, 11½ cents, a decrease in the cost to the consumers of over 25 per cent, notwithstanding the fact that over 75 per cent of the collars sold now contain nearly twice as much material as they did in 1893, due to the increasing popularity of the wide folded collar. Moreover, a more slightly and more durable collar is furnished to-day for the price than was supplied ten years ago.

Your attention is respectfully directed to the schedule of rates and importations under them since 1893, copies of which are attached to this brief.

A study of these statements shows that until the enactment of the Dingley tariff imports increased yearly, and that under that act they have not been excluded, but reduced to only a reasonable amount.

We also beg to remind you that materials out of which shirts, collars, and cuffs are made cost, we believe, from 15 to 30 per cent more in our country than they do in foreign countries. This increase in cost of materials should be given proper consideration in fixing the duties on shirts, collars, and cuffs.

The protection given to shirts and collars by the tariff laws, covering a period of more than a quarter of a century, has made it possible for a large body of skilled help to grow up in this industry, so that now the manufacturers are able to produce the most excellent goods of every kind.

These skilled operators usually have steady employment and receive fair living wages. They are intelligent, hard-working, self-respecting, and thrifty.

Any change or modification of the present regulation will not only prejudice but destroy these prevailing conditions, and the calamity will fall with crushing effect, first, on these wage-earners, and second, upon the entire community of which they form a part.

A reduced duty will invite the introduction of shirts, collars, and cuffs from Germany, Austria, England, and Japan. From all of these places extensive competition will enter, the effect of which will be to reduce the volume of home business by introducing foreign-made goods at prices which will displace the home product.

Any attempt to meet this competition would result in a radical and abrupt readjustment by reduction of wages of employees here, the precipitation of strikes, and the great loss incident thereto, and to necessarily forced sales pending such readjustment and reduction, with the added embarrassment that the market would be divided.

The imposition of a purely ad valorem duty would be of no avail, because, for one reason, experience shows that the foreigner invoices his goods for export at less price than he sells in his own market. The method which he employs enables him to evade custom-house rulings and permits his import at an undervaluation, for he employs an agent, or a branch house, and sells his goods direct from his factory to the American trade, invoicing his goods at cost instead of the foreign selling prices.

The average wage of the foreign workman is \$2.14 to \$2.42 per week.

The average price paid here is \$8.47.

Thus it will appear that if the tariff is removed entirely American labor must be reduced 74 per cent, and if only partially removed it must be reduced in like proportion. Thus the foreigner has 74 per cent of advantage of the American manufacturer on the item of help alone.

This can not be counterbalanced by the skill and efficiency of American labor, because the persons employed in the labor of making the foreign collars use the same machinery as the American, and the women of Germany and Japan are especially noted for their skill in this work.

The American manufacturer can not meet the low cost of foreign production. The greater cost of living in this country is one of the chief reasons.

The countries which would overwhelm us are Germany, Austria, England, France, and Japan, in each of which cheap labor prevails, and goods of equal excellence with ours are made and sold at prices cheaper than they can be made here.

Moreover, there are other considerations which operate to give the foreigner an unfair advantage.

The so-called child-labor laws—laws which prevent the employment of children under 16—the factory act, and the employers' liability act; all the laws regulating the hours of labor of women and minors which are in force in the State of New York, although they are good and wholesome in themselves, and desirable, nevertheless all operate against our home workers when in competition with foreign labor.

WAGES IN WURTEMBERG, GERMANY.

According to a German factory-inspection report (*Jahresberichte der Gewerbe-Aufsichtsbeamten und Bergbehörden, 1903*) the following wages were paid to women employed in the linen and cotton wash-goods industry in Wurtemberg: Time wage-workers, 3 $\frac{3}{4}$ cents per hour, or \$2.14 per week of fifty-seven hours; piece wage-workers, 4 $\frac{1}{4}$ cents per hour, or \$2.42 per week of fifty-seven hours.

Since 1897 the hours of labor have been reduced from fifty-nine to fifty-six hours per week.

There is a sentimental value attached to the word "imported" in the mind of the average citizen which inclines him to ascribe to the article thus labeled a value and desirability which he does not ascribe to a like article of domestic production, and, other things being equal, often without further inquiry or examination he gives a preference and makes the purchase of the article bearing that label, and this in

itself, while it should not be, yet nevertheless is a great obstacle and hindrance to the sale of the domestic article and causes an unfair advantage and discrimination against which our home manufacturer should be protected.

It may not be necessary, but it should be noted by your honorable committee that the manufacturers of collars, cuffs, and shirts are not of that class who have become multimillionaires by reason of the immense profits which they have acquired because of the protection afforded by the tariff laws. They are engaged as individuals or corporations and conduct and carry on their various businesses separately and distinct, without any mutual organization or cooperation affecting the conditions of trade either among themselves or with the public. They are thirty in number, with a capital investment ranging all the way from \$6,000 upward, only five of the number employing capital in excess of a million dollars.

It is not a fact that the Troy collar, cuff, and shirt manufacturers have made immense fortunes; as a rule, after twenty or fifty years of hard work a few of them have made a fair competence, but, speaking generally, the keen domestic competition of the past few years has resulted in very small profits, and the individuals, as a result, have succeeded in making not more than a fair living, and some concerns have been forced out of business. The majority of the manufacturers in this district, if foreign competition is allowed, will be driven into insolvency, while the larger concerns will be compelled to abandon business or operate factories in foreign countries.

But it perhaps may be said that by opening the doors to the foreign manufacturer the interest of the consumer is advanced. The attempt has already been made in this paper to show that the result of competition at home has been effective with respect to the consumer. It is confidently asserted that if the door is opened to the foreigner the consumer will reap no advantage by the methods of importing which prevail. The foreigner will get his production into the hands of the dealer. The latter will not be controlled by tariff laws and regulation in fixing his prices, and consequently the dealer and not the consumer will reap the profits.

Collars are sold in regular brands and at standard and fixed prices according to value, ranging, e. g., 3 collars for 25 cents, or 10 cents each; 2 collars for 25 cents, or 15 cents each; 3 collars for 50 cents, or 20 cents each; 1 collar for 25 cents; or at popular prices of 10, 15, 20, and 25 cents, respectively. Consequently the dealer will continue to sell at those customary prices, reaping the increase himself.

Only by a large reduction of duty will the prices of collars, cuffs, and shirts be lessened to the people of this country, and such a reduction would mean a large decrease in wages of all employees.

In the Dingley tariff bill is found a splendid illustration of the wisdom and benefits of the protective-tariff policy of the Republican party—a large decrease in the cost of collars and cuffs and an increase in wages to workers.

Further, it is most respectfully urged that the question here involved is not one in which the revision of the tariff should be used "to lessen the contrast between the new cult of multimillionaires and the laborers," as phrased recently by Mr. Carnegie, but that it rather comes within that class which Senator Gorman had in mind when he

said that he wanted no reduction of duties unless he was assured that they could be made without injuring American industries.

This petition is put upon the broad ground that with respect to this particular industry, under the circumstances and conditions which surround and characterize it, the rights of the consumer are fully conserved by present conditions, and that any change by way of modification or reduction would threaten and likely destroy the earning opportunities of many deserving and worthy workers, upon whom it would bring distress and suffering, sorely cripple, and perhaps destroy, an important home industry, and seriously check, if it did not absolutely ruin, the prosperity of a busy and thriving community.

All that the Troy collar, cuff, and shirt manufacturers demand is a tariff which will protect them against cheap foreign labor, differences in cost of material, the sentimental value attached to the word "imported," and give them a "reasonable" profit, and that protection we believe to be expressed in the Dingley bill.

Finally, your petitioners earnestly request that in case it shall be found that a change is contemplated that an opportunity will be given for them to offer and present proof substantiating the several propositions herein set forth.

All of which is respectfully submitted.

J. K. P. PINE,
ALTU M. ME,
JAS. M. SNYDER,
F. F. PEABODY,
Committee.

EXHIBIT A.

Importations.

Year ending—	Cotton collars.	Linen collars.	Remarks.
	<i>Dozens.</i>	<i>Dozens.</i>	
June 30, 1892.....	1,484	78,327	McKinley bill, 1890, cotton collars and cuffs, 15 cents dozen specific duty, 35 per cent ad valorem duty. Linen collars, 30 cents dozen specific duty; 40 per cent ad valorem duty.
June 30, 1893.....	929	89,137	
June 30, 1894.....	2,525	88,678	Wilson bill, 1893, collars, cuffs, and shirts, 35 per cent ad valorem duty.
June 30, 1894—Aug. 28, 1894.....	360	10,802	
Aug. 28, 1894—June 30, 1895.....	23,056	100,332	
June 30, 1896.....	15,889	107,849	
June 30, 1897.....	4,164	97,575	
June 30, 1898.....	20,537	66,839	
June 30, 1899.....	15,036	55,447	
June 30, 1900.....	1,382	48,279	Dingley bill, 1897, cotton collars and cuffs, 45 cents per dozen specific duty, 15 per cent ad valorem duty. Linen collars and cuffs, 40 cents per dozen specific duty, 20 per cent ad valorem duty.
June 30, 1901.....	329	44,230	
June 30, 1902.....	948	42,003	
June 30, 1903.....	1,498	43,967	
June 30, 1904.....	377	34,075	
June 30, 1905.....	622	35,444	
June 30, 1906.....	696	35,947	
June 30, 1907.....	1,074	38,470	
June 30, 1908.....	1,420	38,444	

DOILIES AND CENTERPIECES.

[Paragraph 339.]

STATEMENT OF W. N. PARKES, OF BROOKLYN, N. Y., RELATIVE
TO CERTAIN NEW LINES OF EMBROIDERY.MONDAY, *November 30, 1908.*

Mr. PARKES. Mr. Chairman and gentlemen of the committee, I will try to be as brief as possible. I wish to say at the outset that I perhaps represent a new line of embroidery. We are now manufacturing a set of embroideries such as doilies, centerpieces, and the like. I will give you just a little idea of what has taken place in connection with paragraph 339. In that paragraph there is nothing said about doilies. This article which I now exhibit to you is a centerpiece—

The CHAIRMAN. Under what duty do they come in now?

Mr. PARKES. Sixty per cent.

The CHAIRMAN. What is the use of having anything said about them if they are coming in under a 60 per cent duty?

Mr. PARKES. There is a protest before the courts at the present time—

The CHAIRMAN. We will look that over very carefully. We have all the decisions here, and will go over them very carefully. All you need is to mention it, so we may refer to it.

Mr. PARKES. I will cut it short, Mr. Chairman. I just want to call attention to the fact that there is no question about this edge [indicating] being an embroidered edge, and there was not any such question up until the time they commenced to manufacture it by machinery. When they commenced to manufacture by machinery, it looked a little different at first. Then some importer took the ground that it was not an embroidered article, but simply that the edge was finished in a workmanlike manner to finish the article.

The CHAIRMAN. Is that what you call drawn work?

Mr. PARKES. This is—

The CHAIRMAN. I asked you if that is drawn work?

Mr. PARKES. No, sir; it is an embroidered doily. The edge of it is—

Mr. GRIGGS. Please tell me what you have come after. What do you want?

Mr. PARKES. I am going to note the work we are doing and then suggest—

Mr. GRIGGS. We would understand so much better what you are saying if you would tell us what you want.

Mr. PARKES. At the present time I am not able to state definitely as to what I want to ask for. I want to ask for that in a brief. I simply want to say we are manufacturing these articles—

The CHAIRMAN. Do you want this paragraph changed in any respect?

Mr. PARKES. I want to say—

The CHAIRMAN. Do you want to have that paragraph amended in any respect?

Mr. PARKES. Yes, sir; I am asking to have it amended.

The CHAIRMAN. How?

Mr. PARKES. By putting something in there that will enable us to get the protection on this line of embroidery.

The CHAIRMAN. What words will describe that line of embroidery?

Mr. PARKES. "Scallop-embroidered articles" would describe it. I have invented a machine for doing this work.

Mr. GRIGGS. They are all scalloped?

Mr. PARKES. No, sir; not all. They are scalloped on the edge, and there is some interior work also. They are all embroidered doilies. This is a line of work that takes the place of hand work. Hand-embroidered goods of this character have been brought in for years and pay a 60 per cent duty. When these goods commenced to come in, they claimed they were not embroidered articles, and they do not want to pay any duty on them. When I can find out whether they can sell these articles at a price at retail lower than we can afford to sell them at wholesale, I can tell what they mean.

On these goods that weigh over $4\frac{1}{2}$ ounces we have to pay 60 per cent duty, or 50 per cent duty to get the linen, so that if we only get 60 per cent on the linen, it is only a difference between 50 and 60, and it is not enough protection. Consequently I propose to suggest a change whereby we will get a certain rate of duty plus the duty on the material. That is a suggestion I propose to make in my brief which I will file later.

Mr. GRIGGS. Then you do not know exactly what you want this afternoon?

Mr. PARKES. I wish to be permitted to file a brief and to file samples. That is all I have to say.

The CHAIRMAN. We have the decision here to which you refer in regard to these scallop goods, and your remarks will call the attention of the committee to the decision.

**SUPPLEMENTAL BRIEF OF W. N. PARKES, BROOKLYN, N. Y.,
ASKING HIGHER DUTY ON DOILIES, TABLECLOTHS, LUNCHEON
CLOTHS, AND SIMILAR PRODUCTS.**

BROOKLYN, N. Y., *December 4, 1908.*

To the MEMBERS OF THE WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: We are a new concern engaged in starting a new industry in the United States. We manufacture household articles, such as are mentioned in the following paragraph, which we suggest be inserted in Schedule J of the proposed new tariff:

Doilies, centerpieces, tablecloths, table mats, luncheon cloths, tray cloths, napkins, bedspreads, sheets, pillowcases, pillow shams, bureau scarfs, chiffonier covers, sideboard covers, sofa pillows, furniture covers, tidies, decorative or fancy household or hotel articles of any description, the basis of which is a fabric; any of these or similar articles which have been scalloped or embroidered by hand or machinery to any extent or for any purpose, along the edge or on the interior, in pursuance of a design or otherwise, or any of these or similar arti-

cles which have been hemstitched or otherwise stitched on the interior or on the edge in any manner or for any purpose, or from which threads have been drawn, or which have been cut or punched to produce openwork, or to which have been secured in any manner lace or trimming, or in which inserts of lace, netting, or other material have been made, or to which any material has been appliqued, 60 per cent ad valorem; provided, that any of the foregoing articles having a basic fabric partially or wholly of linen shall pay 80 per cent ad valorem.

Practically all of the foregoing articles having linen or linen and cotton as a basic fabric are imported, except the small quantity we manufacture. The trade at the present time demands that such basic fabric in the better class of these goods shall be linen. We manufacture such better class of goods, so it will be understood that our raw material is principally linen.

This raw material we at the present time convert into these household articles by means of machine embroidery. For example, if a 24-inch round doilie or centerpiece is to be made, we take a piece of linen of suitable size, embroider on it a scalloped or other design round figure 24 inches in diameter, and along the edge of this embroidered figure buttonhole or binding stitches are made. To the end that the threads of the fabric may run fully to the outer edge of the embroidery and the edge be thereby made more secure, and for other reasons, the material usually extends beyond the embroidered figure, and is cut away along the edge of such figure after the embroidering of the piece is finished. If a square napkin or tablecloth is to be made, a square figure is embroidered and finished in the same way the round piece is finished. The cutting away of the fabric outside of the embroidery is done by hand, both in hand and machine embroidery of this character.

The inventing of machinery for doing this class of embroidery is of recent date. We have machines for doing it, and our competitors, the foreign manufacturers, also have machinery for doing it. But even with machines the labor cost of converting the piece of fabric into the finished article is a large part of the cost of the article.

Large manufacturers of linen manufacture these household articles either by hand or by machinery, and it is from some of these manufacturers that we have to import our raw material. This raw material pays a duty of from 35 per cent to 60 per cent ad valorem, while these fancy household articles pay a duty of only 60 per cent.

The foreign manufacturer has the advantage of being a manufacturer of the principal raw material used in the making of these goods, and he also has the advantage of peasant and other cheap labor which is used in such manufacture. Furthermore, in the making of the smaller pieces, such as doilies and centerpieces, which is the larger part of the business, he uses his odds and ends and his pieces of linen that have been damaged in places.

These and other things constitute the main reasons why the present duty of 60 per cent on these articles is not high enough to enable the American manufacturer to compete successfully with the foreign manufacturer.

It may be asked how we manage to compete with the foreign manufacturers under these adverse conditions? In answer to this it is

noted that we exist by doing better and more expensive work, and making special designs, and that by doing this we get a select trade, which is a very small percentage of the total business. But the foreign manufacturers are improving, they are imitating our work, and one of them at least has boasted that they were going to drive us out of the business.

We started in this business in 1904, have quite a large amount of capital invested, but have not been able to pay any dividends. If we get suitable protection, so we can afford to make these goods in quantity, we think we can establish a large home industry; that, with a tariff favorable enough, others will start in this business; that the use of these goods will be very largely increased; and that it will result in the consumer eventually getting these household articles at a lower figure than they can get them now. And we also think it will produce an increased revenue for the Government, because it will increase the use of linen, all of which is imported, and all of which pays a high rate of duty.

We favor a specific duty, where it is practical, and if it can be shown or we can think of a practical way of placing a specific duty on the goods we are manufacturing or that we propose to manufacture we will send in additional suggestions outlining such specific duties.

Respectfully submitted.

PARKES MACHINE COMPANY,
Per W. N. PARKES,
General Superintendent.

NETTINGS.

[Paragraph 339.]

STATEMENT OF GEORGE J. MARTIN, OF WEST NEWTON, MASS., WHO WISHES LOWER DUTIES ON MATERIALS USED IN THE MAKING OF NOVELTY CURTAINS.

TUESDAY, *December 1, 1908.*

The CHAIRMAN. Proceed, Mr. Martin.

Mr. MARTIN. I am here on paragraph 339.

In behalf of the novelty curtain manufacturers, I respectfully request that your committee include in the next revision of the tariff schedule a reduction in the duties therein on cable and mosquito nettings made out of cotton yarns, Nos. 20 to 60, inclusive, as covered in paragraph 339. These nettings are used extensively in the manufacture of novelty lace curtains. I base my request upon the following reasons:

(1) The present duty of 60 per cent on cable and mosquito nettings made out of cotton yarns Nos. 20 to 60, inclusive, is needlessly high and seriously interferes with the development of the novelty curtain business, in which I am engaged.

(2) The duty of 60 per cent on cable and mosquito nettings, the raw materials for us, being exactly the same as the duty imposed upon

finished manufactured curtains imported from Switzerland and France allows no margin for the difference between the cost of labor we employ and the low-paid peasant labor employed there by the Swiss and French makers of curtains with whom we must successfully compete if our industry is to grow.

(3) A withdrawal of the duty on cable and mosquito nettings as mentioned would enable the manufacturers of novelty lace curtains to increase largely their output on an American-made line of novelty curtains, which output is now greatly curtailed because of the excessive cost resulting from the unnecessarily high duty on cable and mosquito nettings used in this industry.

(4) The novelty lace-curtain industry is truly an infant industry that in every way merits just consideration in the present revision of the tariff schedule, if the broad and beneficent principle of protection to growing American industries and well-paid American labor is to govern. The novelty lace-curtain industry is comparatively new, and its present development dates from 1900, or since the introduction of the present tariff schedule. Here is truly an infant industry that against tremendous obstacles has developed an entirely new field of American manufacture and one that with proper and just encouragement from Congress in the proposed revised tariff schedule easily can grow to very great importance. Eight years ago when this industry was started the novelty curtains were nearly all produced in Europe. At the present time there are over 50 manufacturers in this country engaged in making this class of goods and situated mostly in Massachusetts, New York, Pennsylvania, and New Jersey.

We at the present time give employment to approximately 3,000 skilled men and women at wages that average well as compared with some other industries. Although the possibilities of this new industry are very great the limit has been practically reached unless we can secure the consideration of Congress in giving us the desired reduction in the tariff duty. The bulk of the lace curtains manufactured by the novelty lace curtain manufacturers of the United States covers only the lower-priced goods ranging in price from \$1 to \$2.50 wholesale. The manufacturers who have attempted to make the higher-priced grades of lace curtains referred to have not been successful, owing to the higher cost of skilled labor involved and the enormous duty of 60 per cent on the principle item of raw material employed, namely, cable and mosquito nettings made from cotton yarns Nos. 20 to 60, inclusive. If we can get the necessary tariff reduction to avoid this discrimination against us, and to which reduction on the broad principle of protection to American labor and industries we know we are entitled, thus allowing a reasonable margin between the cost of nettings landed in our factories from Europe and the cost of nettings already manufactured into curtains in France and Switzerland, and then landed in this country, we can then compete in the grades of curtains above \$2.50 per pair, and could thereby tremendously increase our production and give employment at a conservative estimate to at least 7,000 additional well-paid employees. The present duty of 60 per cent on cable and mosquito nettings, as provided for in paragraph 339, is of no consequence so far as the protection principle is involved. There are less than a total of 200 people, on the most liberal estimate, engaged in the manufacture of

nettings, as previously mentioned, in this entire country, and to maintain a discriminating tariff of 60 per cent on these nets to the injury of labor and the benefit of scarcely any one would be nothing short of ridiculous. If the duty of 60 per cent on cable and mosquito nettings were entirely withdrawn it would put the novelty lace curtain industry in this country in a better condition to compete successfully with the very low-priced home labor of the French and Swiss peasantry.

To illustrate to your committee the advantage a reduction in the tariff now asked for would give to the novelty lace curtain industry, we beg to introduce two exhibits A and B, which perfectly typify the condition of our industry.

Exhibit A is an American product, similar to the Swiss lace curtains, known as Irish point, made by the application of a design to the net foundation. This class of curtains is made on French mosquito netting, upon which we pay a duty of 60 per cent. The muslin and the cotton in the embroidery in the design are American products. The principal items of cost in the production of this exhibit A are the net and the hand labor. The manufacture of this particular class of goods has been undertaken to a limited extent only in this country, although the possibilities are exceedingly great. The reason for the limited production in this country is the impossibility of American manufacturers to compete successfully with the Swiss makers, excepting on those designs which involve hand labor to but a minor extent. American manufacturers would meet with undoubted success in this particular branch of the novelty lace curtain business were it not for the low-priced labor of the Swiss peasantry on one hand and the 60 per cent tariff duty on nettings, the raw material, on the other. Exhibit A is a curtain of very simple design, and requires but a limited amount of hand labor. The design is applied on the net with the aid of the embroidery machine, and the hand labor is required in cutting away the surplus muslin to bring out the design. This curtain can compete in price with the Swiss product, allowing a very small margin of profit. The same amount of raw material as contained in Exhibit A of exactly the same quality, but with the addition of a more elaborate design, which is our Exhibit B, involves more hand labor and sells for about 60 per cent more than the pattern shown in Exhibit A. The difference between Exhibits A and B represents hand labor entirely. The hand labor of the Swiss is performed mostly in the homes of the peasantry at a wage cost absolutely out of the question for American labor.

On this grade of production we are therefore at once brought into impossible competition with the cheap labor of Europe, and the further growth of our industry in this direction is absolutely checked. Up to \$2.50 per pair American manufacturers have been able to develop an industry in the making of novelty lace curtains that gives employment, as stated above, to approximately 3,000 people. The reduction in the tariff on the net, which is the principal raw material in both Exhibits A and B, would give us an advantage sufficiently large to enable us to compete more successfully with the foreign manufacturers on the more elaborate and higher cost styles of lace curtains. We present only these two exhibits, A and B, but they are perfect examples of the condition of our industry and its great

possibilities under a favorable tariff instead of under a tariff which now discriminates against us.

What is shown here in the case of Irish point curtains is equally true of Brussels net curtains, Swiss, Tambour curtains, and a number of other styles which are quite largely imported from Switzerland and France into this country.

The growth of our industry in such a comparatively short time, occupying an absolutely new field, is marvelous. A very large proportion of the novelty lace curtains made in this country is distinctly American in design, offering to the home trade a supply close at hand which did not exist before. Lace curtains are used to-day in thousands of homes where they were unknown not many years ago. The field is unlimited provided our industry is not hampered by an unreasonable duty that protects no industry of consequence, but hinders the development of what otherwise would become a very great and valuable field of useful occupation for thousands of well-paid skilled workers. We feel that from any point of view, based on the broad principle of protection, that we ask for nothing but that to which we are justly entitled. We do not ask for protection that would increase our margin of profit or dividends—do not forget that—but we ask for that change in the existing tariff which would allow us to compete against Europe, enlarge our field of operations here and abroad, and give profitable employment to increased numbers in an entirely new industrial field.

To sum up in a few words, we are asking for a reduction in the tariff to help us compete against the cheap home labor of Europe; to enable us to produce goods which to-day we can not do; to enlarge our market both at home and abroad; to enable us to sell the goods we are now making at still lower prices. We are not asking to reduce the tariff on any other grades of nets except those specified, made from certain count yarns.

There are about \$1,000,000 invested by the manufacturers in the novelty lace curtain business, and their production for the year 1897 amounted to about \$5,000,000.

I have two exhibits here which I will be glad to show you if you would like to see them.

Mr. UNDERWOOD. What is it that you state you have?

Mr. MARTIN. I have two curtains here which will illustrate the condition of the industry. We can make curtains up to \$2.50 with great success, and we stop right there just as though we were up against a stone wall. We are up against the home labor, the peasant labor of France and Switzerland, and we can not compete against them and pay the same duty on the materials that we put into curtains as is paid on the manufactured curtain that comes over here. Unfortunately that it is the way it is figured now.

Mr. UNDERWOOD. Let me understand the situation. It is not a higher duty that you want; you want the duty removed on your raw material?

Mr. MARTIN. That would help us; yes; and if the duty was taken off the raw material that would put it on a better basis.

Mr. UNDERWOOD. Your raw material is mosquito netting?

Mr. MARTIN. Yes, of certain weights. We do not want it on all nettings; we are only asking for it on these particular weights.

Mr. UNDERWOOD. What is the volume of the industry in this country that makes this mosquito netting?

Mr. MARTIN. For the trade—and when I say “for the trade” I mean for the manufacturing trade—there is one plant, comprising about 10 or 12 looms or machines.

Mr. UNDERWOOD. How much of this mosquito netting is imported into this country?

Mr. MARTIN. Most of it; nearly all of it.

Mr. UNDERWOOD. Almost all of it?

Mr. MARTIN. Nearly all of it.

Mr. UNDERWOOD. And the one plant here manufactures what per cent?

Mr. MARTIN. I can not give you the figures on that, because our goods come in under the head of laces; and I have not got the figures of the amount of the importations.

The CHAIRMAN. Let him tell how much was consumed here. We can find out the importations.

Mr. MARTIN. How much is consumed?

Mr. UNDERWOOD. Yes; of this mosquito netting?

Mr. MARTIN. We consume about 1,000,000 square yards a year. I can not tell you what the other manufacturers consume. There are 50 of us altogether.

Mr. UNDERWOOD. And you say all that is consumed is imported?

Mr. MARTIN. No; most of it.

Mr. UNDERWOOD. Most of it. On the lower-grade goods of your manufacture of curtains how much is imported and how much is made in this country?

Mr. MARTIN. You mean the class of goods we make?

Mr. UNDERWOOD. The class of goods that you are complaining of, the lower-grade goods that you say you can make.

Mr. MARTIN. I should think we do perhaps \$5,000,000 altogether.

Mr. UNDERWOOD. You mean your industry?

Mr. MARTIN. Yes.

Mr. UNDERWOOD. The entire industry does \$5,000,000?

Mr. MARTIN. Bear in mind that this only started in 1900.

Mr. UNDERWOOD. How much are the importations?

Mr. MARTIN. I can not tell you that. You mean on nets?

Mr. UNDERWOOD. Yes.

Mr. MARTIN. I can not give you that figure.

Mr. UNDERWOOD. What percentage of the lower-grade business are you doing now?

Mr. MARTIN. We are doing practically the whole of it up to \$2.50. We do not have much competition. We can beat out the peasant labor up to that price.

Mr. UNDERWOOD. Then you have a prohibitive tariff on the lower-grade goods?

Mr. MARTIN. Why, no; I would not put it that way, because we have the same tariff that they have.

Mr. UNDERWOOD. I know; but if they can not sell any goods in this country, you are not raising any revenue for the Government, and your tariff is prohibitive on the lower-grade goods.

Mr. MARTIN. Why, we are. We are buying nets abroad, and pay 60 per cent on them. We are buying all the laces there, and paying 60 per cent on them.

Mr. UNDERWOOD. I am talking about the manufactured product. I just want to get the status of the case.

Mr. MARTIN. Well, you understand that we have to import the nets.

Mr. UNDERWOOD. Yes; I understand.

Mr. MARTIN. And we have to import the laces, and we pay 60 per cent duty on them. The Government gets that revenue out of it, regardless of whether we sell the curtain for a dollar or \$2.50.

Mr. UNDERWOOD. But so far as the manufactured article itself is concerned, you manufacture all of the lower-grade goods that are consumed in the country?

Mr. MARTIN. Yes; about the whole of them; but that is not on account of the duties, because those fellows over there have the privilege of making a curtain and bringing it into this country and selling it over here and paying just the same duty as we pay for the raw materials, and still we manage it so that they do not get the business.

Mr. UNDERWOOD. You claim that your raw material, the duty that you have, is merely to offset the duty on the raw material?

Mr. MARTIN. That is it exactly; nothing more.

Mr. UNDERWOOD. In the case of the higher-grade goods, how much is produced in this country?

Mr. MARTIN. We can not produce them at all. Practically all that we produce are a few to make our line of goods look pretty; but the best selling article in our line of business is a \$5 Irish-point curtain selling for \$5 retail; but we can not touch the foreigners on that curtain. That curtain comes in here, and it costs the retailer about \$3.25. He sells it for \$5. We can not make a curtain as good as those people at that price. That hand labor over there is very much cheaper than ours.

Mr. UNDERWOOD. Is that due to the manufacture of the finished article, or is it due to the duty on the raw material?

Mr. MARTIN. It is due to the fact that the home labor over there is very much cheaper than our labor. This is all hand work [exhibiting samples of curtains to Mr. Underwood].

Mr. UNDERWOOD. You had better get back by the table there, so that the stenographer can get what you say. Describe what it is, please.

Mr. MARTIN. That is what is called an Irish-point curtain.

The CHAIRMAN. I thought you were on mosquito netting.

Mr. UNDERWOOD. Mosquito netting is what he makes his curtains out of.

Mr. MARTIN. This is the basis of it.

The CHAIRMAN. This is a curtain.

Mr. UNDERWOOD. He makes it out of mosquito netting that is brought into the country.

Mr. MARTIN. I am telling you where our troubles are.

The CHAIRMAN. Oh, yes. I was out, and did not get the thread of your remarks.

Mr. MARTIN. There [producing curtain] is another one. There is just as much net in this; there is just as much cloth used here for the foundation for that pattern, and at the same price. This curtain here is one that we sell for \$3.50, and this one we sell for \$2.25.

The CHAIRMAN. What is that mosquito netting called when they import it?

Mr. MARTIN. That comes under the head of mosquito netting. It is called mosquito netting, Mr. Payne.

The CHAIRMAN. I do not find it here.

Mr. MARTIN. It is under paragraph 339.

Mr. DALZELL. That paragraph refers to "nettings." It does not say "mosquito nettings," does it?

Mr. MARTIN. Well, it may not. They are invoiced as mosquito nettings, however, and they are known to the appraiser as mosquito nettings.

The CHAIRMAN. That is the reason I did not find it. I was looking for the mosquito. [Laughter.]

Mr. MARTIN. There is a great deal that comes in through New Orleans for that purpose.

Mr. UNDERWOOD. Is that hand work or machine work?

Mr. MARTIN. That is hand work. This pattern is put on a piece of cloth, which is laid on there and attached there. This is done, then, with a Swiss machine; and this [indicating] is all cut out by hand. All of this little spider web is put in by hand, and the difference in these two curtains in price, the difference between \$3.50 and \$2.25, is all in the hand work in there.

Mr. GRIGGS. What do you want to do—take the duty off of netting or raise the duty on the curtains?

Mr. MARTIN. That is up to you people. [Laughter.]

Mr. UNDERWOOD. You have explained your difficulty, and you will leave the balance with the committee?

Mr. MARTIN. It is better to do that, is it not?

Mr. GRIGGS. You do not care which, do you?

Mr. MARTIN. It does not make any difference to us.

Mr. GRIGGS. I say, you do not care whether we take the duty off of netting or increase the duty on curtains?

Mr. MARTIN. The reason I did not ask to have the duty increased on curtains is because the general sentiment appears to be against it. I am going about it the easiest way.

Mr. GRIGGS. Then you want it reduced on nets. That is right.

Mr. MARTIN. We would like to make those goods here. There is not anything that gives me more pleasure than to pick up a curtain that is made in this country, and that is a beauty, and has not been made here before. That is the whole pride of our business. Eight years ago we did not make such a thing here. You would not wipe the dust off your desk with a novelty curtain made in this country. We have developed all this business here, and it is purely our own—absolutely. Now, here is a curtain that we would like to make. We would like to make those foreign goods, Marie Antoinettes, and so on. We can make them up to \$2.50 or \$2.75 a pair; but we have to stop right there. After that there is so much hand labor entering into them that the foreigner can beat us out. The curtains are sent into the homes of the peasants there, who do the work whenever they have time, and put the whole family on it. That is the labor we can not go up against. We do the same thing here; but abroad they make 10 or 20 cents a day, and our people want to make \$1 a day, and they make \$1.

Mr. GRIGGS. I see that we collected \$25,000,000 in duties.

Mr. MARTIN. On laces?

Mr. GRIGGS. On laces.

Mr. MARTIN. Yes; and, of course, laces enter largely also into our work. I do not want you to think that we do not pay any duties. There is a great deal of net that comes in here for veiling and other purposes—millions of dollars' worth; but I am not asking to have that touched. It is only in these coarse yarns, from 20's to 60's.

Mr. GRIGGS. If we should designate it as "mosquito netting" in the bill, would that be understood?

Mr. MARTIN. No; you would have to say from 20's to 60's, inclusive. That is the way they come through the custom-house.

Mr. GRIGGS. You had better submit that in writing.

Mr. MARTIN. Yes; I will do it. There is not an industry in this country that amounts to anything in this line, and they do not seem to want to make the goods here. They may tell you that they do, but they prove that they do not.

The CHAIRMAN. Do you call that article a lace window curtain?

Mr. MARTIN. Yes.

The CHAIRMAN. That is under the same schedule and carries the same tariff as the netting?

Mr. MARTIN. Exactly; and that is where we are up against a stone wall, Mr. Payne. We can not do anything beyond \$2.50.

The CHAIRMAN. Do you import the lace?

Mr. MARTIN. We import laces; yes.

The CHAIRMAN. I mean the laces you put in those curtains?

Mr. MARTIN. There is not any lace in that. That, right there, is nothing but a piece of Fall River goods. It is a piece of cloth that is about that wide that is sewed on there.

The CHAIRMAN. That is embroidery?

Mr. MARTIN. It is all embroidered right on there. The pattern is laid on and it is all embroidered, and this is all cut out with scissors, by hand.

The CHAIRMAN. Do you import the embroidery in the curtain?

Mr. MARTIN. We do not; no. It is domestic yarn, made right here.

The CHAIRMAN. What is that?

Mr. MARTIN. It is a domestic yarn. The yarn that does that embroidery is a domestic yarn.

The CHAIRMAN. Is it made up here?

Mr. MARTIN. It is made right here.

The CHAIRMAN. It is embroidered on to that netting?

Mr. MARTIN. Yes, sir.

The CHAIRMAN. I see.

Mr. MARTIN. Yes, sir; it is made right here; and those cotton goods are made in Fall River.

Mr. GRIGGS. You say they may tell us that they want to manufacture netting, but we must not believe them?

Mr. MARTIN. Well, they prove that they do not.

Mr. GRIGGS. All right; I do not wish to ask you any further questions.

Mr. MARTIN. You can ask me later, if you think so.

STATEMENT OF THOMAS J. DIAMOND, OF NEWBURGH, N. Y., RELATIVE TO DUTIES ON BOBBINET OR NETTING.

TUESDAY, *December 1, 1908.*

Mr. DIAMOND. Honorable Chairman and gentlemen of the Ways and Means Committee, I have here a little brief of some data touching this particular net matter that Mr. Martin has just spoken of, and that is the foundation for this curtain that Mr. Martin has just explained to you about. We are the only ones in this country who are exclusively engaged in the manufacture of bobbinet. That is the real trade term for the material. We started this industry about eight years ago and expected to get protection under paragraph 340 of the Dingley tariff act, and the material is admitted under section 339. For that reason we ask that a special law be made; and if you gentlemen will kindly permit me, I will read off this brief:

The Lackey Manufacturing Company, whose office, mill, and principal place of business is situated at the city of Newburgh, in the county of Orange and Twentieth Congressional District of New York, respectfully calls your attention to its product, the practical operation of the provisions of the tariff regulations pertaining thereto, and the inadequacy of the protection afforded by the present law.

This company is the one and only concern in the United States devoted exclusively to the manufacture of bobbinets.

The industry was started in the year 1900.

It was the belief of the founders of the business that the product would be protected by the Dingley tariff act. When this law was being considered by the House of Representatives Mr. George E. Lackey, who was desirous of entering the business of manufacturing bobbinets, at that time associated with the Bromley Manufacturing Company, of Philadelphia, in conjunction with Mr. Bromley and other gentlemen interested in the manufacture of lace curtains, pillow shams, bed sets, and bobbinets, conferred with the committee of your honorable body who then had charge of the proposed law.

Their conference resulted in the enactment of the section of the law designated as section 340, which reads as follows:

SEC. 340. Lace curtains, pillow shams, and bed sets finished or unfinished, made on Nottingham lace-curtain machines or on a Nottingham warp machine, and composed of cotton or other vegetable fiber, when counting five points or spaces between the warp threads to the inch, 1 cent per square yard. When counting more than five points or spaces to the inch one-half of 1 cent per square yard in addition for each point or space to the inch in excess of five and in addition thereto, all of the foregoing articles in this paragraph a 20 per cent ad valorem.

In 1900 the business of manufacturing nets was new. The founder of this company had not embarked in it until he received or believed he received the proper protection to warrant his venturing into the business.

He was instrumental in having section 340 enacted, this company was formed and the business went on.

Nottingham lace-warp machines were installed and are still in use in our mill. The entire product of the mill is made on Nottingham lace-warp machines.

This company found it impossible to compete with foreign markets, and upon examination it was ascertained that product like that manufactured by this company was being admitted to this country under section 339.

Appeal was made to the collector and appraiser of the port of New York. Claim was made on behalf of this company that it was intended by Congress that foreign product of material like that manufactured by this company should be admitted under section 340. Section 339 provides for an ad valorem duty of 60 per cent, whereas if the material was entered under section 340 it would be protected under a specific duty as well.

This claim was referred to the General Board of Appraisers, who decided that the material manufactured by the Lackey Manufacturing Company was "net," and that it was properly admitted under provisions of section 339; and that the language employed by section 340 was not sufficiently broad to cover this class of goods.

There is no question in our mind as to the correctness of the classification made by the General Board of Appraisers, because our product is "net" and can only be described and classified as "net."

Congress intended to protect our industry under the provisions of section 340, but through the unfortunate use of the language employed, we are without adequate protection; we are without the protection it was intended we should have; we have been unable to increase our output or number of our employees; we have been hampered by labor difficulties, and we are to-day in about the same position as we were when we started in business, and we are still alone as the only exclusive manufacturer of bobbinets. We are still an infant industry, and in need of protection.

We therefore ask for the enactment of a law eliminating from section 339 the words "net and netting," and containing a clause to read as follows:

Bobbinets, net, and netting, finished or unfinished, made or woven by the use of machinery or looms in which bobbins carry the yarns and weave them across a warp thread, warp threads being a series of threads running parallel in one direction, bobbin threads being a series of threads carried by the bobbin transversely and diagonally across and twisted around the warp threads. Such described bobbinets, net and netting, finished or unfinished, when made of cotton or other vegetable-fiber yarn counting sixteen holes or less to the inch, counted on the warp and bobbin lines, shall pay a duty of five cents per square yard; and all such bobbinets, net, and netting counting more than sixteen holes to the inch, counted on the warp and bobbin lines, shall pay, in addition to the five cents per square yard, a duty of one-half cent per hole for each hole or part of a hole in excess of sixteen holes to the inch, and, in addition thereto, twenty per centum ad valorem.

It is because the Standard Dictionary defines bobbinets as an open fabric formed by a series of threads crossing and partially twisted around each other and producing a hexagonal mesh that we desire the language above employed to be used in describing our product, so that no confusion will hereafter arise as to proper classification of our goods.

It will be discerned from the proposed clause that provision is made for a specific as well as an ad valorem rate of duty.

The elasticity of an ad valorem protection alone is such that a

false valuation can be placed on goods in foreign countries, and in this way manufacturers of this particular product will not receive the protection the Government has seen fit to afford.

As a result of errors made in valuation placed on bobbinets, net, and netting, the United States assigned one of its officers connected with the appraisers' department, namely, Mr. George Robinson, with instructions to thoroughly investigate the net-making industry. After thorough study of the net industry in Europe he framed a schedule based on the cost of manufacture which placed a certain foreign valuation on this particular production, and from the figures obtained by him and our personal knowledge of the cost of foreign production we find and state that he must have made a most searching and thorough investigation of conditions to enable him to so intelligently fix the productive cost of the manufacture of bobbinets, nets, and netting.

As a result of the elasticity of an ad valorem duty we feel that it is necessary to ask your honorable body to give full favor to a law which will provide for a specific duty according to yardage and grade to properly protect us in our efforts to develop this industry in the United States.

The specific duty for which we ask is for the purpose of protecting us in the cost of production, and the ad valorem duty is for the purpose of taking proper care of the fluctuating cost of materials.

At the outset of this statement we said that we entered this business believing we were to get specific protection provided by section 340, but on account of the unsuitable language used we failed to realize the advantage of that protection. We have made all possible effort to keep going, practicing the strictest economy, and we must confess that we are now unable to meet foreign competition protected as we are under section 339 of the present law.

We come in daily contact with consumers of our product who submit samples and prices showing their ability to purchase goods of foreign production at a lesser price than we can produce the same goods.

This has been our experience since we started the business. We have been unable to develop our industry owing to the inadequacy of the protection afforded us by an ad valorem duty of 60 per cent.

In producing the finer grades of nets we are compelled to use imported yarns, thereby suffering a 25 per cent higher cost of the principal material we use than our foreign competitors, so that it is simply impossible to compete with foreign producers in the finer grades of nets and netting unless we are granted the protection herein asked.

A foreign producer, after paying 60 per cent duty, can sell his net for 6.91 cents per square yard and make a profit of 20 per cent, whereas the American producer would have to sell his goods at 9.92 cents per square yard to get the same results. This shows that with 60 per cent duty we must sell our goods 43½ per cent higher to get the same results as our foreign competitor.

Following is the cost of a grade of net which we make, also the cost of the same grade made in foreign markets, which shows over 100 per cent difference in cost of production: American cost of production, 6.94 cents; foreign cost of production, 3.28 cents.

This comparison holds good to all grades as well as the one quoted.

The correctness of these figures can be ascertained by reference to the reports of Mr. George Robinson, the United States Government agent, who investigated the net industry in Europe and made his report to the Treasury Department on the 9th day of April, 1906.

The changes suggested by us are reasonable and proper, and we believe they should be made. It is evident that Congress intended to grant us protection when the law now standing on the statute books was enacted, but we failed to realize the benefits we and Congress anticipated.

We trust that this application will meet with the favor we believe it deserves, and that we will be enabled to provide employment for labor and build up our industry to a sufficient size, so that we may not only encourage the increase of production to supply the demands of our own country, but, with the exercise of American ingenuity, that in time we can seek a foreign market for our production.

Mr. UNDERWOOD. How much money have you got invested in this enterprise?

Mr. DIAMOND. About \$250,000.

Mr. UNDERWOOD. How much profit did you make on it in the year 1906?

Mr. DIAMOND. We have never made any, up to date.

Mr. UNDERWOOD. No profit whatever?

Mr. DIAMOND. We are in debt.

Mr. UNDERWOOD. Have you made losses up to that time?

Mr. DIAMOND. Losses; yes, sir.

Mr. UNDERWOOD. What has your average loss been?

Mr. DIAMOND. Our latest report shows that we are about \$24,000 in debt, after running eight years.

Mr. GRIGGS. You ask for a protection there of half a cent a hole on the bobbinet?

Mr. DIAMOND. Yes, sir.

Mr. GRIGGS. For each hole in excess of 16. Is that right?

Mr. DIAMOND. Yes, sir.

Mr. GRIGGS. How many holes are there in that net to the square inch?

Mr. DIAMOND. We have a little measure here that will tell at a glance just how many holes there are.

Mr. GRIGGS. Yes.

Mr. DIAMOND. And the way this is counted is on the warp lines and the bobbin lines. That is, the warp lines run perpendicularly and the bobbin lines are the ones that cross over diagonally. [After examining curtain.] Twenty-two holes.

Mr. GRIGGS. Twenty-two?

Mr. DIAMOND. Yes, sir.

Mr. GRIGGS. Half a cent a hole above 16 would make 3 cents to the square inch specific duty, would it not?

Mr. DIAMOND. Yes, sir; more than that.

Mr. GRIGGS. There are 144 square inches, I believe, in a square foot?

Mr. DIAMOND. We count those in that way so that they can not do any cheating with the net. The same number of holes must be

within the square inch, and that is why we count them on both lines—both on the bobbin line and on the warp line. Of course, if you pull the net out one way it brings more holes up into the inch one way, and if you pull it out the other way it brings more into the inch the other way.

Mr. GRIGGS. I want to ask you this question; I did not understand you probably: You mean it is that much per yard?

Mr. DIAMOND. Per yard; yes, sir; but we measure it by the inch.

Mr. GRIGGS. That would make 3 cents a yard specific duty on that?

Mr. DIAMOND. Oh, no. The duty on net is 5 cents for 16 holes, and half a cent for every hole above 16 holes; and this 22-hole net would be 5 $\frac{3}{8}$ cents.

Mr. GRIGGS. Eight cents per yard?

Mr. DIAMOND. Yes, sir.

Mr. GRIGGS. You are the only manufacturer of that in this country?

Mr. DIAMOND. The only manufacturer exclusively so engaged. There are other manufacturers, but they have other business as well.

Mr. GRIGGS. You are not one of the gentlemen to whom Mr. Martin referred, are you?

Mr. DIAMOND. Mr. Martin is one of our customers, and we always lose money on his orders. He invariably beats us. We have got to take his orders to keep our organization going; and what we make in dealing with the retail trade we have got to pay to Mr. Martin, because he can go out in the market and get goods cheaper than we can make them.

Mr. GRIGGS. You heard him say that some people pretended that they want to make this stuff, but they do not?

Mr. DIAMOND. We did not put \$250,000 in a plant there for fun.

Mr. GRIGGS. I do not think so, either.

Mr. DIAMOND. When we started in the founder of the business thought he was getting protection under section 340. That would give a specific duty, and would call for a specific duty as well as an ad valorem duty; and we could get protection provided it was properly counted.

Mr. GRIGGS. You are getting 60 per cent now, are you not?

Mr. DIAMOND. Sixty per cent; but it costs us a hundred per cent more to make the goods—over a hundred per cent in the case of the finer grades.

Mr. GRIGGS. One hundred per cent more than the 60 per cent?

Mr. DIAMOND. About 43 per cent more.

Mr. GRIGGS. Yes; I understand.

Mr. DIAMOND. That is actual cost, as proven by the United States Government official figures, as well as our own knowledge of the situation. There are about fifteen millions of this imported into this country, and there is about \$200,000 worth of it made here; and on \$100,000 worth of business a year we do not make any money. We can not develop it. We put all our money in there. We started in and kept adding money to it all the time, expecting to increase our production so that we could, by increasing our production, get some profit from it. But we were unable to do it. Mr. Martin here can go out in the market and buy nets cheaper than we can sell them to him; and we frequently have to turn down orders that we can not take from him because the price he offers us is so low that we can not do it.

Mr. GRIGGS. By increasing the duty on that we will increase the revenue, will we not?

Mr. DIAMOND. Yes, sir.

Mr. GRIGGS. In that way we would make it a better revenue producer would we not?

Mr. DIAMOND. Yes, sir.

**SUPPLEMENTAL BRIEF FILED BY THOMAS J. DIAMOND, FOR
LACKEY MANUFACTURING COMPANY, NEWBURGH, N. Y.,
RELATIVE TO BOBBINETS.**

NEW YORK, *January 11, 1909.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: Supplementary to our statement made before your honorable body on the 1st day of December, 1908, concerning the manufacture of bobbins in the United States, and the tariff relative thereto, we most respectfully ask that, in determining the duty and the phraseology of the prospective tariff law, you give due consideration to the following facts:

We entered into this business some eight years ago believing that we would get protection sufficient to enable us to compete with foreign made goods. But unfortunately for us we found that, in consequence of the inadequate protection afforded us by an ad valorem duty of 60 per cent, we are unable to do so.

We would respectfully direct your attention to the differences in the cost of production between Europe and the United States, taking into consideration the greater amount of capital which it is necessary to invest in the United States as against the amount required for European investment.

All the machines used in the production of this commodity have been imported from Europe and we have paid to this Government 45 per cent duty on the value of our machines.

Therefore our original outlay was 45 per cent more than the original outlay of our foreign competitors and the total amount of invested capital is practically twice as much to engage in this business in the United States as it is in European countries, to say nothing of the difference in the cost of labor.

The percentage of earning must always be based upon the amount invested and cost to produce; hence, as it cost us twice as much capital to start business in this country as against Europe, we should be entitled to proportionately the same percentage of earning considering the larger investment.

It appears after further study and consideration of the draft of the law which we have suggested dealing with bobbins, that, to prevent any possible chance of fraud being practiced by persons importing bobbins into this country and to enable the customs examiners to properly classify such importations, the bobbins should

be counted as therein suggested; that is, the holes in the net should be first counted perpendicularly on the warp lines and then diagonally on the bobbin lines within the area of a square inch and the total of such counts will set the grade of the net. By this method there is no possibility of destroying the count of the bobbinet, for the reason that if the bobbinet be pulled on the warp lines, the holes per inch in that direction would be decreased, but the holes per inch on the bobbin lines would be increased. The same also holds good if the bobbinet be pulled along the bobbin lines.

Therefore we suggest that the law be made to read as follows:

Bobbinets, nets and nettings finished or unfinished made or woven by the use of machinery or looms in which bobbins carry the yarns and weave them across a warp thread, warp threads being a series of threads running perpendicularly parallel, bobbin threads, being a series of threads carried by the bobbin transversely and diagonally parallel across and twisted around the warp threads. Such described bobbinets, nets and nettings, finished or unfinished, when made of cotton or other vegetable fiber yarns, counting sixteen holes or less to the inch, counted in a straight line perpendicularly on the warp, and diagonally in a straight line of the bobbin, within the area of a square inch, shall pay a duty of five cents per square yard, and all such bobbinets, nets and nettings counting more than sixteen holes to the inch counted on the warp and bobbin lines as above, shall pay in addition to five cents a square yard, a duty of one-half cent per hole for each hole or part of a hole in excess of sixteen holes to the inch, and in addition thereto, twenty per cent ad valorem.

The product of our plant, although it is all bobbinet, is sometimes given a different name for trade purposes, such as "Saxony nets," "mosquito nets," "Bretonne nets," "wash blond nets," "panel nets," "Pt. D'Esprit nets," "French nets," "cable nets," and "Brussels nets," but they are all bobbinets, so that the law would cover cotton nets and nettings of all description made in the manner described.

There are in this country at the present time 26 machines engaged in the manufacture of bobbinets. Of these 26 machines, we have 12; The Bromley Manufacturing Company, of Philadelphia, Pa., have 10. There are 2 in Wilkes-Barre, Pa., and 2 in Pawtucket, R. I., but as we are the only exclusive manufacturers of this product in this country, we and we alone are the only ones capable of showing the exact cost of producing this net, and would incidentally state that The Bromley Manufacturing Company, who hold the next largest number of machines to us, has recently informed us that were it not for their other business, they would not be able to run their bobbinet machines in competition with the foreign producer. We draw attention specifically to The Bromley Manufacturing Company, because they are the only concern in the United States who have any number of machines, and are only able to run them as a result of having other business which will carry the burden of their bobbinet machines.

The uses to which bobbinet is put in this country are various and numerous, and the consumption is quite large, in fact very large compared with the home production. The millinery trade uses it, as well as curtain manufacturers; it is used in canopy form in the Southern States, is used in connection with dress materials, in the hat-making industry, embroideries, and quite a number of other uses, and is an industry which should be protected sufficiently to permit of its development, and as it now stands, it is impossible to expand or even make any margin of profit, being forced to meet such unfair and unequal competition as a result of inadequate protection.

We sincerely pray that your honorable body will look with favor upon our earnest appeal, as it is only by an act of Congress that we can get the result and protection we need to enable us to develop our industry, which in time with proper protection will give employment to a vast number of people.

Respectfully submitted.

THE LACKEY MANUFACTURING COMPANY,
Newburgh, N. Y.
THOS. J. DIAMOND, *Treasurer.*

TRIMMINGS.

[Paragraph 339.]

THE BRAID MANUFACTURERS' ASSOCIATION OF THE UNITED STATES SUBMITS BRIEF ASKING THAT PRESENT DUTY BE RETAINED ON TRIMMINGS.

WASHINGTON, D. C., *November 30, 1908.*

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

GENTLEMEN: 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 veulings, etamines, vitrages, neck rufflings, ruchings, tuckings, flutings, and quillings; embroideries *and all trimmings, including braids*, edgings, insertings, flouncings, galloons, gorings, and bands; wearing apparel and handkerchiefs, and other articles or fabrics embroidered in any manner by hand or machinery, whether with a letter, monogram, or otherwise; tamboured or appliqued articles, fabrics, or wearing apparel; hemstitched or tucked flouncings or skirtings, and articles made wholly or in part of rufflings, 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, 60 per cent 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.

The only articles which interest the braid manufacturers in the above paragraph are trimmings, including braids.

We recommend that the present duty of 60 per cent ad valorem be retained on these articles, as that duty is just about sufficient to cover the difference between the cost of labor and expenses in Europe and in this country on these articles.

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

HENRY W. SCHLOSS,
President, 682 Broadway, New York.

**THE SANFORD NARROW FABRIC CO., NEW YORK CITY, WISHES
FANCY WOVEN BRAIDS AND TAPES CARED FOR.**

NEW YORK, *December 2, 1908.*

HON. SERENO E. PAYNE,

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

DEAR SIR: We, as manufacturers, are particularly interested in the articles named in paragraph 339, trimmings and braids "composed wholly or in chief value of cotton."

The duty of 60 per cent is now applied to these goods. While sufficient on the lower grades to permit of their profitable manufacture here, we find it very hard to compete with higher grades on imported goods, and we should like to be heard specifically if the opportunity is afforded us.

We might further suggest in order to clarify the articles—braids—that the words "fancy woven braids and tapes" be inserted in this paragraph in addition, for the importers have instituted several suits against the Government in this connection.

Yours, very truly,

SANFORD NARROW FABRIC CO.,
CHAS. S. KING, *President.*

RAMIE BRAIDS.

[Paragraph 339.]

**WALSER MANUFACTURING CO., NEW YORK CITY, ASKS MORE
PROTECTION FOR BRAIDS MADE FROM RAMIE SLIVER.**

NEW YORK, *November 20, 1908.*

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

DEAR SIR: As domestic millinery braid manufacturers, operating a factory at Lake View, N. J., we have lately laid down extensive machinery for producing hat braids from ramie sliver.

While the imported finished braids, of which we attach cuttings, pay a duty of 60 per cent, this sliver, being the raw material from which they are made, is taxed at 45 per cent, though, for instance, raw silk comes in free and artificial silk only pays 20 per cent to 30 per cent.

Taking into consideration the considerably greater cost of labor and production here, we find that the difference of 15 per cent between the duty on the finished ramie braids (60 per cent) and that of the ramie sliver, our raw material (45 per cent) is more than absorbed and precludes us altogether from competing with the imported article, forcing us to give up the idea of manufacturing such goods here.

We therefore take the liberty to draw your committee's attention to this inconsistency in the present tariff, which the custom-house ap-

praisers here inform us is based upon decision "T. D. 29239, circuit court, east district of Pennsylvania."

We would appreciate it very much if you will kindly give your consideration to this matter, suggesting such amendments to the tariff in force as to offer some inducement and protection to the domestic braid manufacturer.

We place ourselves at your disposal for any further information on the subject, and remain, dear sir,

Very respectfully, yours,

THE WALSER MFG. CO. (INC.),
G. DONAT, *President.*

WOMEN'S AND CHILDREN'S LINGERIE.

[Paragraph 339.]

HON. W. S. BENNET, M. C., FILES LETTER OF NATHAN KRAUSKOPF COMPANY, OF NEW YORK CITY.

NEW YORK, *December 16, 1908.*

HON. WILLIAM S. BENNET, M. C., *Washington, D. C.*

DEAR SIR: The writer, who is the president of the Nathan Krauskopf Company, lives at 430 West One hundred and sixteenth street, New York City, which he understands is in your district, and therefore that you are "his Congressman."

We understand that the coming Congress will probably radically revise the tariff, and as we are interested in this phase of legislation, would thank you to let us know how we can keep track of this matter.

The customs duty now imposed on lingerie for women and children is 60 per cent. Any lowering of this duty will work very disadvantageously to a very large number of working people in this country. Roughly speaking, the facts of the matter are as follows:

Women who do hand sewing abroad are paid from 30 cents to 60 cents a day, according to the location.

Women who do the same class of sewing in this country are paid \$2.50 a day.

Women who do machine sewing abroad are paid from 20 cents to 50 cents a day, according to location.

Women who do the same class of sewing in this country are paid from \$1.50 to \$2.50 a day.

You can readily see that the 60 per cent duty does not cover this difference in wages.

Cutters in this country are paid from \$18 to \$25 a week; in Germany these men are paid from 30 marks to 50 marks a week. In France the rate of pay is somewhat less. You will readily see in this instance that the duty does not begin to protect this class of labor.

As a matter of fact, increasing quantities of women's and children's lingerie are being imported each year, largely owing to the fact that we can not in this country compete, because of the unfavorable competition on the labor question.

I am taking the trouble of writing you at this length so you may see how vitally interested we are in this matter and would be glad to get any information from you that you think we need and to effect an organization in our trade, which you may think advisable to properly present the matter to the proper authorities.

Mr. A. S. Silverberg, of the same address—430 West One hundred and sixteenth street—and president of the American Romper Company, also one of your constituents, joins with me in the above.

Thanking you in advance for your consideration and reply to this letter, I am,

Yours, very respectfully,

NATHAN KRAUSKOPF.

LACES AND EMBROIDERIES.

[Paragraphs 339 and 340.]

THE WILKES-BARRE LACE MANUFACTURING COMPANY, NEW YORK CITY, ASKS RETENTION OF PRESENT PROTECTIVE DUTIES ON LACE CURTAINS.

NEW YORK, *November 27, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

House of Representatives, Washington, D. C.

DEAR SIR: The undersigned manufacturers of lace curtains operating plants of Nottingham lace-curtain machines in this country, present the following memorial to the Ways and Means Committee, in support of their contention for retaining the present duty on lace window curtains, etc., as provided for in paragraph No. 340.

The principal factors working against us in competition with the foreign-made goods are: (1) Exceptionally high cost of labor, (2) absolute dependence for the running of the machines on special imported yarns.

The starting of the industry in this country necessitated the importation of skilled and specially trained help in almost all the departments of the manufacture. The demands of this labor with each period of development in the industry have been beyond our control, and we are obliged to pay in excess of English and Scotch wage scales in most cases 75 to 80 per cent, and even in some cases our rates are nearly 100 per cent over the prices paid in Nottingham and Glasgow for similar classes of work. This statement can be substantiated in the case of the weavers by comparison of printed scales of union wages prevailing in England, Scotland, and America, and as applied to the varied classes of work made on the various "lay outs" of the lace-curtain machine.

The fine yarns specially spun for the industry which we are obliged to use, and without which no lace-curtain machine could be operated, are all imported. These yarns are the "bread and butter," so to speak, of the curtain machine. Attempts for many years past have been made by domestic spinners to meet the peculiar needs of the industry in this direction, but without success. These yarns consti-

tute nearly 15 per cent of our total yarn consumption, and are subject to a duty equivalent to 50 per cent.

In view of the above facts and the peculiar exigencies of this comparatively new industry, we feel justified in our contention to have the present duty maintained and the reading of paragraph 340 preserved, as having proved in its detail working more efficient than any schedule hitherto framed pertaining to the articles in question.

Respectfully, yours,

WILKES-BARRE LACE MANUFACTURING Co.,
CLARENCE WHITMAN, *Treasurer.*

MARSHALL FIELD & CO., CHICAGO, ILL., WISH THE DUTIES AND CLASSIFICATION OF LACE CURTAINS LEFT UNCHANGED.

CHICAGO, *November 28, 1908.*

HON. HENRY S. BOUTELL, M. C.,
Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: It being impossible to present this matter in person, we respectfully ask that this letter be read before the Committee on Ways and Means at their hearing on the cotton schedule set for December 1.

We wish to refer particularly to the duties on cotton Nottingham lace curtains as now provided in paragraph 340.

The manufacture of Nottingham lace curtains is conducted in almost all of its branches by skilled or highly skilled operatives at a comparatively high wage. These curtains are constructed on intricate machines, none of which are made in this country, but which are imported from England, and on entry into the United States are subjected to a duty of 45 per cent under the present tariff.

A portion of the yarns entering into their construction is of foreign manufacture—that is to say, such yarns are used in the warp. On these a duty per pound approximating 35 per cent is at present collectible on importation into the United States.

The total average duties collected on these goods under the present act, as stated in the government statistical record of imports for the year ending June 30, 1907, was 55 per cent.

This duty, taking into consideration the cost of plant, material, and labor, is necessary to afford protection to the American manufacturer and is, we think, a fair measure of such protection.

Further, the construction of this paragraph, as it appears in the present act, fulfills the necessary technical requirements, following, as it does, the various grades and equalizing the duties as between one grade and another.

We are therefore in favor of allowing the rates on cotton Nottingham lace curtains, as provided in paragraph 340 of the present act, to remain unchanged.

Very respectfully,

MARSHALL FIELD & Co.

PHILADELPHIA (PA.) MANUFACTURERS OF LACE CURTAINS
THINK PRESENT DUTIES SHOULD BE MAINTAINED.

PHILADELPHIA, *November 28, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

House of Representatives, Washington, D. C.

DEAR SIR: The Philadelphia manufacturers of Nottingham lace curtains ask for the retention of the present duties provided for in paragraph No. 340.

When the tariff act of 1897 was passed we had 1,000 operatives only partially employed and our fine machines idle; whereas we now have 3,111 operatives fully employed (the panic period excepted) and additional machines in process of erection. This progress has been made possible by paragraph No. 340, which in its workings has proven more efficient than any schedule previously formulated. These duties are essential to protect us in competition with foreign-made goods and vital to the continued development of the industry, because—

First, the dependence of the industry upon foreign manufacturers for its lace machines and its bobbin yarns. Machines for lace making are not made in this country, but imported at a duty of 45 per cent, requiring a bobbin yarn that has never been successfully made in this country, on which we pay a duty equivalent to 50 per cent. The industry is exotic, the child of a protective tariff.

Second, an exceptional high labor cost as compared with Great Britain due to the rapid development of the industry. To start the industry by the importation of skilled labor necessitated the inducement of high wages, with increasing and successive demands upon us for each period of development. Our weavers' wages have been advanced 30 per cent to 40 per cent since the enactment of the present tariff, and we pay from 50 per cent to 85 per cent above the Nottingham union rate, which is only interesting for comparison, as even the Nottingham manufacturers can not compete with the mills of Glasgow, Darvel, Newmilns, Galston, etc., where most of the Nottingham lace curtains are made, because of the lower cost of Scotch labor.

We are having prepared a substantiated comparison of the difference in labor cost here and in Scotland, and will welcome the opportunity of submitting it if this data be not already in the possession of your committee.

As lowering the duties would curtail employment, depreciate the large investments of the industry, and reduce wages, we urge the most thorough examination of the reasonableness of our contention that no injustice may be done our employes or ourselves.

Respectfully submitted.

JOHN BROMLEY & SONS.

JOSEPH H. BROMLEY.

LEHIGH MF'G CO.

NORTH AMERICAN LACE CO.

STATEMENT OF W. WICKHAM SMITH, OF NEW YORK CITY,
REPRESENTING THE LACE AND EMBROIDERY IMPORTERS.MONDAY, *November 30, 1908.*

Mr. SMITH. Mr. Chairman and gentlemen of the committee, I have been asked to say a few words here in behalf of the Association of Lace and Embroidery Importers of the city of New York. I represent 48 different houses, and I think it is safe to say that they pay at least three-fourths of the duties that are collected upon these goods at the port of New York, where most of the duties on them are collected.

I am instructed to ask this committee to consider favorably a reduction of the duty on these goods from the present rate of 60 per cent to 50 per cent ad valorem.

The CHAIRMAN. If you will inform us of some way by which we can collect an ad valorem duty on laces we will consider the subject of lowering it, but it is necessary first for you to show us some way in which we can do it.

Mr. SMITH. My answer to that, Mr. Chairman, is that the Treasury Department now considers that it has a system of appraising these goods which is practically as good as putting them on a specific duty basis.

The CHAIRMAN. I understand, on the other hand, that the gentlemen who are actively engaged in it think that they might almost as well be on the free list. [Laughter.] So our understanding is different on that.

Mr. SMITH. Mr. Chairman, I can refer you to an official report here in which the man sent by the Department of Commerce and Labor to St. Gall to examine into this question (and who has made an elaborate report) sets forth the whole system of ascertaining the duty on these goods, and announces that it is a very complete system; and I can refer you to the appraiser of merchandise at the port of New York.

The CHAIRMAN. The Department of Commerce and Labor does not collect these duties.

Mr. SMITH. No; they are collected by the Treasury Department, and I would be glad to have the committee ask the opinion either of the appraiser of the port of New York, the collector of the port of New York, or the Assistant Secretary of the Treasury as to whether the system of ascertaining and collecting the duties upon these goods has not been carried to a degree of accuracy and completeness which leaves practically no room whatever for undervaluation or fraud, or any other evasion of the revenue.

I may say, Mr. Chairman, that having had some familiarity with these goods and with this subject for nearly twenty years, I have never known in that time of but one suit brought by the United States in which it was charged that any such goods as these were fraudulently imported. I was attorney in that suit, and the Government discontinued it without costs. So that so far as there being anything other than an honest collection of the revenue upon these goods is concerned, as far as I know, there is no foundation for the suggestion.

The CHAIRMAN. Do you deal in consigned goods, by import trade, or do you buy them on the other side?

Mr. SMITH. Both. Under the system that is now in vogue it does not make a particle of difference whether they are bought on the other side or consigned by the manufacturer on the other side to his agent here. The Government has a perfect system for determining just how much duty the articles should pay.

The CHAIRMAN. The department is not making a particle of difference under the present system; but when it comes to saying that the Government collects the duty, I am not convinced of that.

Mr. SMITH. All I have to say is that if you succeed in discovering any better system of ascertaining and collecting the duties on these goods than is now in force; you will have discovered something that the ingenuity of the custom officials has not yet arrived at. In my opinion it can not be done, because the system at present is absolutely approaching perfection.

The CHAIRMAN. Would you be surprised to know that some of the custom officers are contemplating the recommendation of a scheme whereby these goods shall be valued at a wholesale price in the United States, so that we can get some evidence on which we can get at the value?

Mr. SMITH. I would be surprised at that, Mr. Chairman.

The CHAIRMAN. I will surprise you now. [Laughter.]

Mr. SMITH. Well, of course, that is not what I came here to discuss.

The CHAIRMAN. Of course, if you think the present system is perfect, you can not suggest anything that will help to perfect it—if it is perfect already. We will hear you on the other proposition.

Mr. SMITH. No; but I can simply record the prediction that the new system will not work as well as the old. Of course, there is no way of proving that now.

The CHAIRMAN. All right. Proceed.

Mr. SMITH. Laces and embroideries in all the history of the country never paid a higher duty than 40 per cent until the McKinley tariff. They have paid 60 per cent duty under the McKinley tariff and under the Dingley tariff. They paid 50 per cent under the Wilson tariff, and the suggestion we now make is that they be restored to the duty which was collected on them under the Wilson tariff. Silk laces and embroideries have paid for some time 60 per cent duty.

Now, the first proposition I suggest, Mr. Chairman, is that the time has gone by when goods of this character can properly be called luxuries. They may not, in a sense, be necessities of life, but they are articles which are used by all persons, of every grade, the only difference being that the richer persons use finer goods and the poorer persons use cheaper goods. But there is practically no woman in this country whose station is so low that she does not wear some kind of lace and embroidery. Therefore they should not, in our opinion, be treated as luxuries and placed in the same class that diamonds and precious stones and other articles are.

Mr. CLARK. You count the higher-priced ones as luxuries, do you not?

Mr. SMITH. Yes; I think the higher-priced ones are luxuries. The lower-priced ones I regard as necessities; and taking the whole range as a class, they seem to me not to belong properly in the class of luxuries. So far as the revenues are concerned, these goods brought

a revenue to the United States in the fiscal year ending July 1, 1907, of \$25,000,000. We believe that a moderate reduction of the duties would so increase the volume of importations of these goods that that would counterbalance the reduction, and that the Government would collect more revenue under a 50 per cent duty than it has collected under a 60 per cent duty.

Mr. FORDNEY. You would have to increase the imports, then, to do that, would you not?

Mr. SMITH. I beg your pardon.

Mr. FORDNEY. I say, you would have to increase the imports to do that.

Mr. SMITH. Yes. I suggest that the reduction of duty would increase the imports, and therefore increase the revenues.

The CHAIRMAN. The imports are pretty good now—\$42,600,000.

Mr. SMITH. Yes; and we think it would be even better if you reduce the tariff a little, and that it would be so much better that 50 per cent on the new amount would be more than 60 per cent on the old.

The CHAIRMAN. And you would shut up some factories here.

Mr. SMITH. Well, I am coming to that presently. I do not think we would shut up any factories.

The CHAIRMAN. You think that our people would buy more of these, then?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And that there would be an increase of 10 per cent in the importations?

Mr. SMITH. Yes; more than that, I think.

The CHAIRMAN. Yes; 20 per cent it would have to be in order to make up the duty.

Mr. GRIGGS. What country is the chief producer of these articles?

Mr. SMITH. In laces, Calais, France, and in embroideries, Switzerland.

Mr. GRIGGS. Do they make any in Belgium?

Mr. SMITH. Yes; there are plenty of laces in Belgium.

Mr. COCKRAN. Do we not import large quantities of lace from Venice?

Mr. SMITH. I think we import a substantial quantity, but I do not think it compares in any way with the importations from France and Belgium. The lace from Venice is of rather a high class and an expensive class. The product of the other countries I have mentioned is cheaper and is imported in larger quantities.

Mr. COCKRAN. You import some from Ireland?

Mr. SMITH. Yes; a small quantity. If we could secure a moderate reduction of the duties on these articles, they could be sold cheaper, and with a profit to the consumers—and by the consumers we mean pretty nearly all the people of the United States, for, as I say, every man that has a wife or child is a purchaser of embroideries and laces to some extent.

We also call your attention to the fact that there is a very large industry in this country in the manufacture of wearing apparel trimmed with laces and embroideries, and in that industry these articles are the raw material. If by a reduction of the duty the importation of these articles could be increased and their use by these classes of manufacturers could be increased, it would afford an open-

ing for the employment of additional labor in the classes of persons who manufacture those goods. Laces and embroideries are largely used by the makers of underwear and by the makers of children's coats and other garments, and the lower we can make the duty upon their raw material consistent with the proper collection of revenues and with protection the more business they can do and the more hands they can employ.

Mr. FORDNEY. Do you think the importation of those laces would increase the production of laces in this country? Do you take that position?

Mr. SMITH. No; not at all.

Mr. FORDNEY. Do you contend that it would lessen the production here?

Mr. SMITH. No; I do not think it would have any effect so far as reducing them is concerned. What I say on that subject is that there is now a growing industry here in the manufacture of embroideries and laces, and I believe that it will go on growing and increasing.

Mr. FORDNEY. No matter whether it has protection or not?

Mr. SMITH. I believe that a reduction of 10 per cent in the duty would not interfere with its growth, because, as I shall presently show you, it is now able to so heavily undersell some of the imported product that it is being driven from the market. I have the goods here to show that.

Mr. DALZELL. What is the home production, as compared with the importations?

Mr. SMITH. Oh, I should say that the home production constituted about 20 per cent and the importations about 80 per cent.

Mr. DALZELL. That is to say, the foreigner has 80 per cent of the market and the home producer 20 per cent?

Mr. SMITH. I think that is so.

Mr. BONYNGE. You are representing the importers?

Mr. SMITH. Yes, sir.

Mr. FORDNEY. Do you not think it would be better if we could produce the 80 per cent at home and let the foreigner have the 20 per cent of the market?

Mr. SMITH. I think that would be a very good thing in time, when the business has developed enough to supply the demand, which may come in time, and I think will.

Mr. FORDNEY. How long have we been developing this 20 per cent that we produce now?

Mr. SMITH. Well, I should say that the industry was scarcely known in this country twenty years ago.

Mr. DALZELL. We had it in the McKinley bill.

Mr. SMITH. It was 60 per cent in the McKinley bill.

Mr. BONYNGE. Do you think encouraging foreign importations would help to encourage the home industry?

Mr. SMITH. The home industry of making—

Mr. BONYNGE. The home industry of making these laces.

Mr. SMITH. I think it would not hurt it. I think it would help it, by bringing them within the reach of all persons, and by creating a taste for them and a desire for them there would be an increased demand which would inure to the benefit both of the importer and of the manufacturer here.

Now, with regard to the effect upon the industry here of a reduction of the duty, and the extent which the industry here is able to compete with the imported product under the existing duty of 60 per cent, I have a number of exhibits here to which I would like briefly to refer.

For instance, I have an article here which it costs the importer 95 cents to land in this country, including the foreign cost and the duty. It has been copied here. I have here the imported article and the domestic copy. The domestic copy is sold here for 65 cents a yard, being 30 cents less than it costs the importer to land his product here, without any regard to his office expenses here or his profit.

Mr. FORDNEY. The same grade of the two articles?

Mr. SMITH. Why, Mr. Fordney, it seems to me that the domestic article is the better of the two. I hope to leave these exhibits here for the examination of your committee, and I think you will be satisfied that in these cases the domestic article is usually as good and frequently much better than the foreign article which it undersells.

Mr. CLARK. If the American article is as good as the foreign article or better, and they sell it cheaper, what is the reason the domestic article does not drive the foreign article clear out of the market?

Mr. SMITH. Because, Mr. Clark, the American article is made here, as you can see, to copy the foreign article, and the industry is not yet sufficiently developed in this country for them to have a force of designers and creators to get up styles and patterns; and they are at present confining themselves to just such things as this. [Exhibiting sample.]

Mr. CLARK. As I understand it, you present the most remarkable case that has been presented before this committee, and that is, in the first instance, that 80 per cent of all the laces that are used in the United States are imported and that they pay revenue to the extent of some twenty-five or thirty or forty million dollars; in the second place, that our people can make better lace than the foreigners, and undersell them in the American market—

Mr. DALZELL. And in the third place, that it is going to develop the industry by reducing the duty. [Laughter.]

Mr. CLARK. Now, if those facts are true, I can not understand, to save my life, why these people who have been making 3½ per cent on steel and less than that on lumber, and so on all down the line, do not stop that business and go to making laces and drive these foreigners clear out of the country. [Laughter.]

Mr. SMITH. Mr. Clark, I can only state the facts, and why they exist I can not tell. I know it is a fact, because I have the goods before me, and you can have them before you.

Mr. CLARK. I would not know anything about them if I had them before me.

Mr. SMITH. I know it is a fact that these people here, in certain instances where they have copied the foreign design, have made the goods and sold them for less than the landed cost of the foreign article; and in some cases for one-third of the landed cost. I have a sample here, where it costs \$1.05 to land the foreign article, and where the domestic article is being sold for 35 cents. I do not know why that is. If there be anybody here representing the other side, they may be able to explain it. I say that the article can not be

landed here on the cost of production on the other side, with the additions required by the Government, and the addition of 60 per cent duty, for less than \$1.05; and that the competing article is being sold here for 35 cents. I do not know why they do that. I should think if you could undersell a man and get the market you would charge 80 or 90 cents, and so make a bigger profit here. But I can only deal with the fact, and I can not give the explanation. I hold the article that I referred to just now in my hand. This is lace insertion, and it costs to land here \$1.04. And here [indicating] is the article, the domestic article, which is an absolute copy of it; and so far as I can see, though I do not pretend to be an expert in laces, it is every bit as good, if not better than the other, and it is being sold here for 35 cents a dozen yards.

The CHAIRMAN. Do not all these things give you a slight suspicion that possibly you may be mistaken about the matter of undervaluation?

Mr. SMITH. Why, Mr. Chairman, how can it—

The CHAIRMAN. If the foreign goods are displacing all the American goods, notwithstanding the fact that you can make them cheaper?

Mr. SMITH. Oh, in this particular instance.

The CHAIRMAN. And where they can be laid down here and pay an honest duty?

Mr. SMITH. In this instance, if the goods were undervalued, a true valuation would have made the foreign price a little higher—that is, the landed price—and we would still have the 35 cents at which they are being sold here, so that the circumstances do not lead me to suspect an undervaluation; but it occurs to me that perhaps there might be an overvaluation.

The CHAIRMAN. Well, I guess I will have to give you up.

Mr. SMITH. Of course, I used that word in a joking sense. I do not know what the explanation of those facts is. I know the importer here can show his invoice, and show his goods that he has imported, and show what duty he has paid on them, and show that his landed cost was \$1.04; and I know that we can get an affidavit that the corresponding domestic article was purchased from a party named for 35 cents a dozen yards—these goods that I refer to. The domestic article to which I have referred is made by the American Textile Company, of Pawtucket, R. I.

Mr. GRIGGS. Is the domestic article just as good as the other?

Mr. SMITH. To me it looks better. I would be very glad to have you look at it.

Mr. GRIGGS. I could not tell anything about it.

Mr. SMITH. I will be very glad to submit the goods to an expert.

Mr. COCKRAN. Do I understand you to say that the domestic article is better than the foreign article, and that one sells for \$1.04 and the other for 35 cents a yard?

Mr. SMITH. I said that as to certain particular samples which I have in my hand. I do not mean to say, for a minute, that I believe that either the lace or the embroidery industry is sufficiently developed in this country for it to be truly said that they are making better goods here than they are making abroad. That I do not intend to say at all. I say that in this particular instance, where I have shown this discrepancy in the price, the domestic goods look to me to be just as good, and experts tell me they are just as good and sometimes better. Here

I have another article which, so far as I can see, is identical, here and abroad. [Exhibiting samples.] The landed cost is $43\frac{1}{4}$ cents, and they are being sold here by an American manufacturer for 39 cents. I have one here that it costs to land $30\frac{1}{4}$ cents, and it is being sold here for $30\frac{1}{2}$ cents. Here is one where the landed cost is $18\frac{3}{4}$ cents, and it is being sold for $16\frac{1}{2}$ cents by the American Textile Company, of Pawtucket, R. I.

Mr. LONGWORTH. Upon what do you base your estimate that if the tariff were reduced the supply would be greater—that the gross revenue would be greater?

Mr. SMITH. Because if it were sufficiently increased——

Mr. LONGWORTH. Reduced, you say.

Mr. SMITH. What I say is that if the volume of importation be sufficiently increased, 50 per cent on the amount imported will amount to more than 60 per cent on the amount now imported.

Mr. LONGWORTH. Quite true, if it increased; but upon what do you base your estimate that it will?

Mr. SMITH. My suggestion that the reduction will cause an increase of importation?

Mr. LONGWORTH. Exactly; and you are yourself bringing evidence to show that, although the European product is higher priced than the American—notwithstanding that—the American product is not driving it out of the market. If you reduce it still further, what is going to be the result? How will it increase the revenue?

Mr. SMITH. Because a reduction of the duty will enable the foreign exporters to supply goods here at cheaper prices and in greater quantities than they are now, and the reduction in the price of these goods will place them within the reach of people who now can not buy them, or enable them to get better articles for the same amount of money; and I believe that the increase in the demand for the article will be enough to increase the value of the importations to such an extent that 50 per cent of the new importations would be more than 60 per cent of the old. And I think, Mr. Longworth, that the experience in bringing in other classes of goods has shown the same result.

Mr. LONGWORTH. It is a speculation on your part? You simply think so?

Mr. SMITH. Oh, yes; it can be nothing else.

Mr. DALZELL. You think a decrease of the duty would increase the importations and also develop the industry in this country?

Mr. SMITH. I think it would do both. I think it would do both.

Mr. DALZELL. If the foreign manufacturer had 90 per cent of our market instead of 80 you think the domestic industry would be improved? [Laughter.]

Mr. SMITH. No; I do not think, Mr. Dalzell——

Mr. DALZELL. That is your argument.

Mr. SMITH. If you will excuse me, Mr. Dalzell, I do not think that an increase of the importations would necessarily mean at all that the foreign manufacturer would be getting the 90 per cent of our market. On the contrary, I expressly said that I believed that a decrease in the duty would not only increase the value of the importations, but that it would also increase the manufacture in this country.

Mr. DALZELL. I understand that.

Mr. SMITH. Yes.

Mr. COCKRAN. You mean it would increase the general use of lace?

Mr. SMITH. Yes, sir.

Mr. COCKRAN. To such an extent that while the total volume of importations might increase, yet the actual percentage of foreign laces used here might be less?

Mr. SMITH. That is exactly what I mean; yes, sir.

Mr. DALZELL. That is very well put, but the sense remains the same, notwithstanding. [Laughter.]

Mr. COCKRAN. Yes; that is his statement, not mine.

Mr. RANDELL. What are the laces made of?

Mr. SMITH. There are laces made of cotton and laces made of silk.

Mr. RANDELL. What kind of laces are principally made in this country?

Mr. SMITH. Made in this country?

Mr. RANDELL. Yes.

Mr. SMITH. I think silk.

Mr. RANDELL. Cotton laces are made principally abroad?

SEVERAL GENTLEMEN. No; that is not right; there are more cotton laces.

Mr. SMITH. There are more cotton laces made here, I understand.

Mr. RANDELL. There are more cotton laces made in this country?

Mr. SMITH. Yes, sir.

Mr. RANDELL. You are not an expert in the lace business?

Mr. SMITH. No; but I have a great many experts here, and I will be very glad to make way for one of them.

Mr. RANDELL. I thought you knew something about the lace business. You are simply a lawyer representing them, are you?

Mr. SMITH. Yes, sir; but I have experts here, and I should be very glad to give way to one of them who will be very ready to answer any questions regarding the industry that any member of the committee might like to put to him. With the permission of the chairman I will do that.

The CHAIRMAN. What is that?

Mr. SMITH. I say, the gentleman has asked me some questions which only an expert in the manufacture of lace can answer. I am, of course, a lawyer, and not an expert manufacturer; and I have suggested that with your permission I should be very glad to give way to an expert who can answer any questions that the committee might put to him.

Mr. DALZELL. Have they any bearing on the question of fixing the duty?

The CHAIRMAN. If you will give way we will call one.

Mr. DALZELL. I say, have they anything to do with the fixing of duty? [Laughter.]

Mr. RANDELL. We have a duty on laces.

The CHAIRMAN. You say you are anxious to give way to an expert. We will call one, if you really mean that.

Mr. SMITH. What I suggested, Mr. Chairman, was that I would be glad to give way for some one of the people that I represent, and who are here, who could answer questions from my standpoint.

The CHAIRMAN. Oh! How many people do you represent?

Mr. SMITH. I represent 48 houses.

The CHAIRMAN. No; I mean how many who are here?

Mr. SMITH. Oh, a dozen, probably—a dozen of the largest importers in the United States.

The CHAIRMAN. We can not hear a dozen to-night on this question.

Mr. SMITH. No; I understand that. I only suggested it because the gentleman here desired some information.

The CHAIRMAN. I am trying to get a little information myself. How many would like to appear?

Mr. SMITH. One or two.

The CHAIRMAN. One besides you?

Mr. SMITH. Yes.

The CHAIRMAN. And he is an expert?

Mr. SMITH. Yes.

The CHAIRMAN. And you will give way for him?

Mr. SMITH. Right away.

The CHAIRMAN. Well, let him come. [Laughter.]

STATEMENT OF ISAAC WEINGART, OF 285 CENTRAL PARK WEST, NEW YORK CITY, RELATIVE TO THE DUTIES ON LACES AND EMBROIDERIES.

MONDAY, *November 30, 1908.*

The CHAIRMAN. Proceed.

Mr. WEINGART. I do not know what line to proceed along, except that the remarks of the chairman were to the effect that, according to some one's suggestion, you might just as well put embroideries and laces on the free list as keep them where they are. I think the statistics of the Treasury Department show that these articles paid a duty of \$30,000,000 last year; so that quite a revenue has been collected. The method of invoicing the two articles, embroideries and laces, differs quite considerably. Laces are invoiced according to their purchase market price, whereas embroideries are invoiced to-day under strict regulations of the Treasury Department.

Mr. GRIGGS. I beg your pardon for a moment. I understood you to be an expert. What are you an expert in—the tariff, or laces?

Mr. WEINGART. In embroideries.

Mr. GRIGGS. Embroideries?

Mr. WEINGART. I am a manufacturer and importer of embroideries.

Mr. GRIGGS. You are an expert in those lines?

Mr. WEINGART. In that line; yes, sir.

The CHAIRMAN. Proceed.

Mr. WEINGART. Embroideries to-day are invoiced under the regulations and under the strict control of the Treasury Department. Under the present method of invoicing it is practically impossible to undervalue, unless the importer wants to commit gross fraud. The method of ascertaining the value of the goods is the best method which honest importers and honest Americans who are interested in the business have discovered. Under the old way of invoicing goods at market values, those importers who wanted to be honest in their importations were placed at a disadvantage as against those who were less scrupulous. But under the present system of invoicing the article is taken from its very beginning, the raw material—the raw cloth is

figured at its cost at a price prescribed by the consul; the stitching, bleaching, finishing, and all other expenses are prescribed by the American consul; and to this cost of production is added 5 per cent for manufacturing expenses, and 8 per cent to make the market value—8 per cent or more, according to the description of the article, and according to its being more or less of a novelty.

The CHAIRMAN. You were called in to answer some technical questions that Mr. Griggs asked, as I understood.

Mr. GRIGGS. No; I have not asked any technical questions.

The CHAIRMAN. Mr. Randell—excuse me.

Mr. CLARK. Mr. Witness, I will ask you one question that I am very much interested in. That is, how does it happen that 80 per cent of all the laces used in the United States are imported and that our lace makers undersell the foreign manufacturers all the time, and yet that our lace makers do not make enough laces to drive the foreigners out of the market?

Mr. WEINGART. I will explain that.

Mr. CLARK. I wish you would. It seems like a puzzle.

Mr. WEINGART. I will explain that in a measure. The industry in this country is a young one. Up to eight years ago the machine on which embroideries were made (I am speaking now principally of embroideries; I will speak on the lace question later) was a machine which measured in length 5 yards. Originally it was a hand machine, which measured four and a half yards, and which was controlled by hand. That is, the power was supplied by hand. Up to eight years ago the length of the machine on which these goods were made was 5 yards, making 10 yards with one operation. Up to two or three years ago the six-and-three-quarter-yard machine was the standard machine, and there were 13½ yards made with one operation. To-day both of these machines in Switzerland have been relegated to the background, and a machine 10 yards in length, which makes 20 yards with one operation, has come into existence. In this respect the amount of labor and the cost of labor required to produce 20 yards are to-day almost equivalent to what they formerly were to produce 10 yards.

Mr. CLARK. That is exactly where the puzzle lies. If that is true, how does it happen that the American lace maker can undersell the foreign lace maker?

Mr. WEINGART. I am just coming to that. In the last few years these machines have been put up here. The less manual labor there is entering into the cost of production, the greater possibility there is for making these goods in this country. And the industry, while to-day it only constitutes, as has been said, 20 per cent, will in the next few years constitute a considerably larger per cent; because with the present duty it can manufacture goods for considerably less than the importer, and consequently will be able to get a larger hold. The number of machines that are in use in this country to-day is limited, simply because up to a year ago they could not get the machines. Up to a year ago the demand for the embroidery machines in Switzerland itself was so great that they could not supply the demand.

Mr. CLARK. Where are these machines made?

Mr. WEINGART. In Switzerland and in Germany. -

Mr. CLARK. Do they make any in the United States?

Mr. WEINGART. No, sir.

Mr. CLARK. Are they very expensive machines?

Mr. WEINGART. Yes, sir.

Mr. CLARK. How much does it cost to start a lace factory?

Mr. WEINGART. It all depends upon the size and number of the machines. You can start a factory with one machine.

Mr. CLARK. And how much would that cost? Let us get right down to it.

Mr. WEINGART. A machine costs in Switzerland, put up ready for operation, \$2,000. There is a duty on it in this country; and it costs, I understand, to put up in this country, in the neighborhood of \$3,500.

Mr. CLARK. Why does not somebody make those machines in the United States?

Mr. WEINGART. Because they are covered by patents. There are patents which cover them. They are patented machines.

Mr. CLARK. Judging from your statement, it looks as though anybody that had \$100,000, for instance—and that is a very small amount to invest in one of these manufacturing concerns—could start business here in six months.

Mr. WEINGART. They are starting business.

Mr. CLARK. How long will it take, under the present conditions, for the American lace manufacturers to drive these foreign manufacturers out of the market?

Mr. WEINGART. Under the present duty?

Mr. CLARK. Yes.

Mr. WEINGART. Just as long as it takes them to develop the incidental manufacturing accessories to the business. It is not only the machine work, but it requires, beside that, some other finishing work.

Mr. CLARK. Well, go on in your own way. The more I ask, the less I know. [Laughter.]

The CHAIRMAN. This is a real infant industry that you are talking about now—lace making. It is only 8 years old.

Mr. DALZELL. And you are going to develop it by reducing the duty?

Mr. WEINGART. We do not claim that we can do it by reducing the duty; but if we let the duty stay where it is we will develop a protected industry which will be able to undersell the imported article at a lower duty than 60 per cent.

Mr. DALZELL. Then you are for maintaining the present duty, are you?

Mr. WEINGART. No; we are for reducing the duty to 50 per cent. I say if you reduce the duty to 50 per cent you will, nevertheless, foster the industry.

Mr. DALZELL. By increasing the importations?

Mr. WEINGART. I did not say by increasing the importations. The result of a reduction of the duty will first be to increase the importations; but you can not build up an industry such as the lace and embroidery business over night. It takes years and years to build up an industry in a foreign country. The industry has grown abroad, and it will grow here; but it can not grow over night. It will take several years to do it.

The CHAIRMAN. We have forgotten Mr. Randell and his questions.

Mr. RANDELL. My question was, What percentage of laces are made of cotton?

Mr. WEINGART. What percentage of laces?

Mr. RANDELL. Yes.

Mr. WEINGART. According to the statistics, the silk laces paid a duty of \$8,000,000 (speaking from the last report), and cotton laces paid \$16,000,000. Sixteen million dollars revenue was collected on cotton laces, and some \$8,000,000 on silk laces.

Mr. GRIGGS. That was the revenue?

Mr. WEINGART. That was the revenue; and there were some \$9,000,000 collected on embroideries—cotton embroideries.

Mr. RANDELL. What percentage of the manufacture in the country is of cotton?

Mr. WEINGART. What percentage is of cotton?

Mr. RANDELL. Yes.

Mr. WEINGART. I can not say offhand, but I think a little more than half, possibly.

Mr. RANDELL. What percentage of silk is manufactured in this country?

Mr. WEINGART. I should say it is not quite half.

Mr. RANDELL. Are they all manufactured of either cotton or silk?

Mr. WEINGART. Either of cotton or silk; yes. There are some that silver and gold enter into, but they are made on a web.

Mr. RANDELL. In manufacturing laces in this country, is the production in any way hampered by a tariff on raw material?

Mr. WEINGART. In laces?

Mr. RANDELL. Yes.

Mr. WEINGART. No; the laces are made on a machine, and all they need is cotton. Cotton here is cheaper than it is abroad.

Mr. RANDELL. They import the silk that they use in this country for making laces, do they not?

Mr. WEINGART. Possibly in the silk manufactories they are hampered on the raw material.

Mr. RANDELL. Do the laces manufactured in this country come in direct competition with the laces that are imported?

Mr. WEINGART. They do.

Mr. RANDELL. Then you have no other argument for your statement that the industry will be benefited excepting that the use, the consumption, will be stimulated by a reduction of the duty, 10 per cent? That is your only contention?

Mr. WEINGART. That is the only contention—that if the duty were reduced it would bring it within the scope of a larger buying public.

Mr. RANDELL. You maintain that if the duty was reduced 10 per cent it would not interfere with the developing of the industry in this country?

Mr. WEINGART. No, sir; it would not.

Mr. RANDELL. But in the meantime, while the industry was developing, the people would be paying a higher price than was necessary to the producer in this country by reason of the protective tariff?

Mr. WEINGART. Well, they would; yes; but the domestic portion of the manufacturing end of it plays a small part. They would be practically paying the Government the revenue, or the difference between the duty of 60 and 50 cents.

Mr. RANDELL. The Government will get that?

Mr. WEINGART. Yes.

Mr. RANDELL. But that, as reflected in the cost of the domestic article, would go to the manufacturer?

Mr. WEINGART. The domestic manufacturer could, if he so desired, simply maintain his price below or equal to the price of the imported article.

Mr. RANDELL. But I understand you to say that the price of the domestic article is so widely different, so much lower than the price of the foreign article, that the domestic manufacturer is not taking advantage of the tariff in making his price to the consumer here.

Mr. WEINGART. The cases submitted are special cases. It happens that these samples submitted were made for copies. A man who had an imported sample gave it to a domestic manufacturer without disclosing his cost price, and on the calculation of the manufacturer he made that price. Now, he may have made the price which shows such a large discrepancy on a miscalculation in the one instance.

Mr. RANDELL. Then you do not mean to say that those instances cited there by your attorney really represent the prices of domestic laces to the consumer in this country?

Mr. WEINGART. All but one. The one where the great discrepancy is I am not in a position to explain. But the others are less than the cost of importation.

Mr. RANDELL. Do you mean to say that the lace manufacturers in this country comprise one industry that does not take advantage of the tariff to raise the price to the consumer?

Mr. WEINGART. The lace industry is still in its infancy. There is no combine.

Mr. RANDELL. The fact that it is in its infancy does not keep the manufacturers from taking advantage of the tariff wall to put their price up to the consumer in this country, does it?

Mr. WEINGART. No; but the manufacturer takes advantage as much as he can to introduce his goods. Their domestic goods to-day have almost got a sort of a hindrance. A man is not as apt to buy a domestic article as he is an imported article in our line, because the domestic manufacture is still an experiment. The domestic manufacturer has got to convince the purchaser, the consumer, that his article is equal to the imported one.

Mr. RANDELL. Is not your position a good deal speculative in reference to this matter?

Mr. WEINGART. No; we know that the manufacturers in this country can produce these goods for considerably less money than the importer can. It is not experimental. The wage-earner, the man who is working on a lever machine in this country, producing laces, gets the same salary and no more than a man working abroad.

Mr. RANDELL. Suppose we had a prohibitive tariff on laces—would the manufacturers in this country be able to supply the market at present?

Mr. WEINGART. No, sir.

Mr. RANDELL. Is that the reason that, in your opinion, the foreign manufacturer can come in to such a large extent?

Mr. WEINGART. Unquestionably.

Mr. RANDELL. It is because of the lack of production in this country?

Mr. WEINGART. As far as embroideries are concerned, there are some 600 machines here.

Mr. RANDELL. With the introduction of machinery, could not this industry be very soon brought to the point where the domestic manufacturer could supply the home market entirely?

Mr. WEINGART. Yes, sir; and that will be done. If the duty remains above 50 per cent, it will enable them to exclude the foreign manufacturer eventually—as soon as they can equip factories and get the various other things that are necessary to the manufacturing of these goods. For instance, during the last two years there has been a machine brought out which cuts the threads on embroideries. This was formerly done by manual labor, by girls and women at home, and the conditions under which this work was done simply barred those goods from this country. They could not be made here. To-day there is one machine which does the work of 200 or 300 operators.

Mr. POU. Where is your factory located?

Mr. WEINGART. Our factory is located at a suburb of St. Gall, Switzerland.

Mr. POU. You are not manufacturing inside the United States, then?

Mr. WEINGART. We are not manufacturing in the United States at the present time, but we have every reason to believe that we will. The industry at present, as I say, is in its experimental stage, and as soon as conditions are such that we are in a position to start right, while I do not speak for myself, I know that there are several houses in our line that are contemplating starting factories in this country, no matter whether the duty remains at 60 or whether it is reduced to 50 per cent, or whether it is reduced even lower, embroideries and laces will be made in this country.

Mr. RANDELL. Are you not more liable to make them here with 60 per cent duty than you would be with 50 per cent?

Mr. WEINGART. No. [Laughter.]

The CHAIRMAN. Is there anything more?

Mr. RANDELL. As Mr. Clark says, that is the puzzle.

Mr. WEINGART. We have no assurance that it will remain that way.

Mr. CLARK. Mr. Witness, are you an American citizen?

Mr. WEINGART. I am; I was born here.

Mr. CLARK. You are running this lace business over at St. Gall, Switzerland?

Mr. WEINGART. Am I running it?

Mr. CLARK. Yes.

Mr. WEINGART. In connection with my partners; yes.

Mr. CLARK. Is not that the very place where there was such a wonderful undervaluation of laces some years ago—right in that neighborhood?

Mr. WEINGART. I understand that there were some investigations at that time.

Mr. CLARK. They dug up some marvelous facts. There is not one woman out of five thousand who can tell a piece of foreign lace from domestic lace, is there? That would be a very large percentage, one out of five thousand that can tell, would it not?

Mr. WEINGART. It would all depend upon how well the article was made. There are some poorly made domestic goods and some well made; but there are some very poor imported goods, also.

Mr. CLARK. I am assuming that both articles are well made.

Mr. WEINGART. No woman would; no, sir.

Mr. CLARK. It takes an expert?

Mr. WEINGART. Yes, sir.

Mr. CLARK. Then what is the reason they can not sell the American laces as high as they do the foreign laces—laces of the same quality?

Mr. WEINGART. Because they have not yet reached that stage where they come to the "ultimate consumer," as you say. They are now only able to supply the manufacturing industries. They are only able to import their goods through the cutting-off trade. A woman would not know the difference.

Mr. CLARK. Suppose you lay a piece of American lace down here and another piece over here of Swiss lace, one of them being as good as the other, and a woman can not tell "t'other from which," how does it happen that they buy the foreign lace in preference to the American lace? There must be some reason or explanation for that.

Mr. WEINGART. There is such a thing as a prejudice against an article. You have got to convince the buying public, the man who is going to put his money into it when he buys it from you, that the article you are selling him will wear as well and will suit as well as the article that he has been buying for years.

Mr. CLARK. Do you suppose that there is one American woman out of five thousand that cares a straw whether she is buying foreign lace or American lace, just so that she gets the kind of lace she wants?

Mr. WEINGART. It is not put up to the American woman; it has not reached that stage yet.

Mr. CLARK. The quicker they do it, then, the better off they will be.

Mr. WEINGART. They are only able to supply a certain amount of the consumption.

Mr. CLARK. Suppose we granted what you ask and cut this tariff down from 60 per cent to 50 per cent, would that make laces sell one single solitary cent cheaper to the woman who buys the laces over the counter?

Mr. WEINGART. Yes, sir.

Mr. COCKRAN. Where does it go? You say it does not reach the American woman. What becomes of this American product?

Mr. WEINGART. It is used in the manufacture of underwear principally.

Mr. COCKRAN. That ultimately reaches her, does it not? [Laughter.]

Mr. WEINGART. Yes, sir; but she does not buy it as foreign goods.

Mr. COCKRAN. How does she get to it? It would not rain down on her like manna from heaven?

Mr. WEINGART. Oh, she gets it at some price through the hands of men better qualified to judge as to the value of the article than she—the manufacturer. He knows the difference between an imported article and the domestic article better than the woman who buys a skirt made up or a piece of embroidery. He buys his goods at a very close margin and knows from whom he buys them, and he demands from the domestic man a larger concession or a concession before he will buy that article. His preference is the imported article he has had for years, and he knows the quality of it.

Mr. COCKRAN. Of course this is a mystery, but I do not see why the foreign laces might not be placed upon the ladies' garments just as well as the domestic laces. How can she tell the difference?

Mr. WEINGART. She does not.

Mr. COCKRAN. Why is it the domestic garment seems to be singled out for the garments you describe?

Mr. WEINGART. I do not say so. There are more imported goods used to-day in the manufacture than domestic goods, because the domestic goods have not yet reached a stage where they can supply the demand.

Mr. COCKRAN. And for that reason they are used in these peculiar garments?

Mr. WEINGART. They are used in them, and so are the others—both the foreign and the domestic.

Mr. COCKRAN. I do not see the logic of the thing. It seems to be an uncertainty.

The CHAIRMAN. Perhaps there is no logic there.

Mr. COCKRAN. Perhaps that is true.

The CHAIRMAN. That is all, Mr. Weingart.

Mr. SMITH.^a Mr. Chairman and members of the committee, I just want to answer Mr. Clark's question that he asked. You wanted to know, Mr. Clark, why the American manufacturer can not sell his laces when he can make them just as well and for the same price as the foreigner. He can for a few days. Then they take his laces and send them to Nottingham and make his laces for 5 per cent less, and then vain desire on the part of the American to own goods for a little less all the time does the rest of the business.

Mr. COCKRAN. Do you mean to say that in order to sell the same article, they send it over there and then bring it back and sell it for 5 cents less?

Mr. SMITH. Yes.

Mr. COCKRAN. Do you mean to say they send lace over to Nottingham, bring it back here, and sell it for 5 cents less?

Mr. SMITH. I do not say as to the price. I said for 5 per cent less.

Mr. COCKRAN. Even then, what sense would there be in buying an article here and sending it over there in that way?

Mr. SMITH. Because they use it in such large quantities. Take this concern he mentioned, the American Textile Company. We get a lace from them at 40 cents a dozen. It is selling first rate. We are operating on it very satisfactorily, and we send it over to Nottingham and find they will make it over there for 37½ cents, and we give them a good big order that shuts out the American Textile Company for about three months. In the meantime they get no duplicates of our order, and they come around to see what is the matter, and ascertain that to be the case.

Mr. CLARK. Why do you send it to Nottingham at all?

Mr. RANDELL. I understand the witness to say he sends it to Nottingham to be imitated, not to be sold. He sends the pattern over there to be imitated.

^a In a letter dated December 17, 1908, Mr. W. Wickham Smith writes as follows: I desire to call your attention to the fact that in the printed report of the hearings some remarks are apparently attributed to me that I had nothing to do with, and which, I think, were made by a gentleman named Martin. I closed my remarks before Mr. Weingart was called and did not again address the committee on this subject.

Mr. SMITH. That is it exactly.

Mr. RANDELL. That is, this pattern that has been built up here?

Mr. SMITH. It might have been built up there. It might have come from there originally.

Mr. RANDELL. And they take that pattern and make cheaper goods?

Mr. SMITH. Yes; they cheapen the quality.

Mr. LONGWORTH. Did not the last witness say all our American laces are a copy of European laces? They copy them over here and then take them back and copy them over there from the first copy? Is that what you are trying to tell us?

Mr. SMITH. There is a great deal of copying.

Mr. GRIGGS. On which side of this question are you?

Mr. SMITH. I am on neither side. I am here simply to tell you some facts. I want to tell you that changing the duty from 60 per cent to 50 per cent on laces will not increase the consumption, and I will tell you why. The reducing of the duties to 50 per cent—if you will just take a pencil and put down these figures—taking a dollar's worth of goods, the duty of 60 per cent brings it up to \$1.60, plus 5 per cent makes it \$1.68. Take the same piece of goods with a duty of 50 per cent, and the duty brings it up to \$1.50, plus 5 per cent, which would bring it to \$1.57½. There is a difference of 10 cents on \$1.68 worth of goods, and there is no woman in the United States can tell the difference. It is the difference between 25 cents a yard and 24 cents a yard.

Mr. DALZELL. Are you for reducing the tariff?

Mr. SMITH. I am not, at that rate. If you are going to reduce the duty, cut it down to 35 per cent.

The CHAIRMAN. I think you are perfectly understood.

Mr. CLARK. I understood the last end of that statement perfectly.

Mr. SMITH. You do not understand the other?

Mr. CLARK. No; and I will give that up. I will just waive that.

**STATEMENT OF A. P. TRABER, NEW YORK CITY, REPRESENTING
THE LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION
OF THE UNITED STATES.**

MONDAY, *November 30, 1908.*

Mr. TRABER. I represent, if the committee please, the Lace and Embroidery Manufacturers' Association of the United States. I am a manufacturer myself, and we have not employed counsel, and we believe that the facts and figures which I am about to present will be sufficient and will speak for us.

Mr. POU. Do you want the duty increased or decreased?

Mr. TRABER. We would like to get it increased.

Mr. POU. An increase? Do you want it put up or down?

Mr. TRABER. Put up. [Laughter.] Our industry includes about 200 firms or corporations, with a total of 700 embroidery machines, approximately. No trust or combination has ever existed in our industry. We wish to call your attention particularly to Schedule A—flax, hemp, jute, and the manufactures thereof, paragraph 339.

The articles in this paragraph in which we are especially interested are machine-made cotton embroideries and machine-made cotton

embroidered laces. These goods are essentially luxuries. Under the present act they pay a duty of 60 per cent ad valorem. The importation of these goods has doubled within the past six years, and in 1907 about \$18,000,000 worth were imported from Switzerland and about \$5,000,000 worth from Germany, while in the United States only about 10 per cent of that quantity has been manufactured during that period. None of these goods have been manufactured in this country for export.

These figures show conclusively that the United States manufacturer has been unable under the existing tariff to compete with the European manufacturer. We therefore ask that a sufficient duty be assessed to cover the difference between the cost of production in Europe and in this country. To enable your committee to decide as to the reasonableness of the duty which we desire, we submit herewith figures showing all the elements which enter into the cost of the production of these goods in Europe, which figures are taken from the official report of the special agent of the Department of Commerce and Labor; also figures showing the average cost of producing the same goods in this country, which latter figures have been obtained from different United States manufacturers and can easily be verified.

In order to cover the difference in cost between the labor and expenses here and abroad in the manufacture of these goods, our figures show that a duty at the rate of one-fifth of 1 cent per yard per 100 stitches of the design and 50 per cent ad valorem would be required.

We therefore ask respectfully instead of the present duty of 60 per cent ad valorem, a duty at the rate of one-fifth of 1 cent per yard for each 100 stitches of the design and in addition thereto 50 per cent ad valorem. This duty would be far from a prohibitive one and would barely suffice to put us on a parity with the foreign manufacturers so we can make the finer grade of goods which we are especially desirous of manufacturing.

We inclose paragraph covering these articles which we respectfully ask to have inserted in Schedule J.

At the end of paragraph No. 339, add the following:

And it is further provided that any of the articles enumerated in this paragraph which are embroidered on the Schiffli embroidering machine shall pay a duty at the rate of one-fifth of 1 cent per yard for each 100 stitches of the embroidery produced by one needle, and in addition thereto 50 per cent ad valorem, each penetration of the fabric by the needles of this embroidering machine to be penetrated as one stitch.

And it is also provided that any of the articles enumerated in this paragraph which are embroidered on the machine known as the Swiss embroidering machine operating with double-pointed needles, shall pay a duty at the rate of one-fifth of 1 cent per yard for each 20 stitches of embroidery produced by one needle, and in addition thereto 50 per cent ad valorem, two penetrations of the fabric by the needles of this embroidering machine to be counted as one stitch.

The above is respectfully submitted by the president of the Lace and Embroidery Manufacturers' Association of the United States.

Mr. Traber filed the following detail of calculation:

Calculation is based on the pattern shown in figure No. 4, on page 25, in the 1908 report of the special agent, Mr. W. A. Graham Clark, of the Department of Commerce and Labor:

	Francs.	
Cotton cloth (muslin) 2 by 6 $\frac{1}{2}$ yards, 55 inches wide.....	8.00	or \$1.54
Bleaching, etc.....	2.64	or .51
Power, oil, etc.....	1.30	or .25
Yarn.....	4.86	or .94
Expenses, 5 per cent.....	1.10	or .21
Boxes, case, etc.....	.20	or .04
Legalization.....	.01	or -----
Freight and insurance.....	.29	or .06
Profit, 25 per cent.....	5.28	or 1.01
Stitcher.....	2.59	or .50
Overseer.....	.97	or .19
Shuttle filler.....	.65	or .13
Mender.....	.65	or .13
Cutting out, 10 $\frac{1}{2}$ aunns.....	.21	or .04
Making-up.....	.36	or .07
Total	29.11	5.62
If 50 per cent ad valorem duty be added.....		2.81
One-fifth cent per 100 stitches per yard.....		1.75

Total landed cost will be..... 10.18

As against \$10.53, domestic cost, as shown on following page.

Calculation is based on the cost of making the foregoing pattern in the United States (on figures obtained from various United States manufacturers).

Cotton cloth (muslin) 2 by 6 $\frac{1}{2}$ yards, 55'' wide, at 13 $\frac{1}{2}$ cents per yard....	\$1.82
Bleaching, etc., 13 $\frac{1}{2}$ yards, at 3 cents per yard.....	.41
Yarn, 26 ounces, at 7 cents per ounce.....	1.82
Power, oil, etc.....	.25
Stitcher, 6,474 stitches (American count), at 18 cents per 100 stitches....	1.17
Overseer, three-eighths of a day, at \$1.50 per day.....	.56
Shuttle filler, three-eighths of a day, at 75 cents per day.....	.28
Mender, three-eighths of a day, at \$2 per day.....	.75
Cutting out six strips of 6 $\frac{1}{2}$ yards per strip, at 3 cents per strip.....	.18
Making-up, cards, wrappers, and boxes.....	.08
Manufacturing expense, 15 per cent.....	1.10
Profit, 25 per cent.....	2.11
Total	10.53

Calculation of a design made on a 5-yard hand-embroidery machine six-quarter rappart as it would cost in Switzerland.

	Francs.
2,100 stitches, including yarn, threader, etc., at 0.34 franc per 100 stitches..	7.14
10 yards muslin, 40 inches wide, at 0.55 franc per yard.....	5.50
Cutting out 14 strips, 5 yards each, at 0.4 franc per yard.....	.56
Bleaching, etc.....	1.50
Boxes, case, etc.....	.75
Expenses, 5 per cent on 15.45 francs.....	.77
Profit, 25 per cent on 16.22 francs.....	4.06
Legalization.....	.01
Freight and insurance.....	.29
Total	20.58
Equal to	\$3.97

Cost of the above pattern made in the United States.

Stitches, 2,100, at 12 cents per 100 stitches.....	\$2. 52
Threader, one day.....	. 25
Yarns (21 naedlig), at 5 cents.....	1. 05
Muslin, 10 yards, 40 inches wide, at 12 cents per yard.....	1. 20
Cutting out 14 strips, at 2 cents per strip.....	. 28
Bleaching 10 yards, at 3 cents per yard.....	. 30
Carding and boxing.....	. 15
Manufacturing expense, 12 per cent.....	. 81
Profit, 25 per cent.....	1. 89
Total.....	9. 45
Foreign cost.....	\$3. 97
If 50 per cent ad valorem duty be added.....	1. 99
One-fifth cent per yard per 20 stitches.....	2. 10
Total landed cost will be.....	8. 06

**STATEMENT OF A. H. KURSHEEDT, 139 WEST SIXTEENTH STREET,
NEW YORK, RELATIVE TO LACES AND EMBROIDERIES.**

MONDAY, *November 30, 1908.*

The CHAIRMAN. You may proceed, Mr. Kursheedt.

Mr. CLARK. Are you a manufacturer or importer?

Mr. KURSHEEDT. I have been manufacturing these goods since 1875.

Mr. POU. Is your factory located in this country or abroad?

Mr. KURSHEEDT. In New York City and out in New York State.

The CHAIRMAN. Well, you may proceed.

Mr. KURSHEEDT. In relation to this class of goods, I beg to state that when the prices were higher the largest quantities were imported. That is to say, when prices were $33\frac{1}{3}$ per cent higher than they are to-day the largest quantities were imported, which, of course, does away with the idea that any reduction of duty would increase imports, and when the prices have been lowest there have been the least amounts imported, it being altogether a matter of fashion; at least fashion to a great extent governs their use and governs their importation.

Now, in relation to these laces that they quote as being so cheap in comparison with the imported goods, without knowing specially about this one sample, I might give an instance that occurred many years ago, the company with which I am identified imported a large number of what were termed "lever lace machines," and after the fashion of silk laces went out—those were not embroidery machines, but were lace machines—we undertook to make these cotton laces. We sold them cheap until I think we lost nearly \$100,000, and then we sold those machines, and since that time they have passed through the hands of two other concerns. There was a large lace manufactory out West that failed and its machines went into somebody's else hands. Of course in this country, where we have not sufficient protection, it is very often necessary to sacrifice our goods in order to keep an organization together, because when you once lose your skilled help it is sometimes very difficult to get an organization in good shape again.

Now, as regards the idea of these being necessities of life, of course that is absurd. Take an ordinary colored woman who might live

down South, and a common kind of embroidery would be something grand to her, while, on the other hand, a very fine lace would be the material for a lady. These things are purely relative. I remember very well at the time the Wilson bill was in progress a gentleman of the Ways and Means Committee raised that same question, and I went to a place where they sold photographs and purchased some groups of royal families, etc., and showed them to him, and not a single one out of the parties represented in those photographs had a bit of lace or embroidery on their garments. What they might have had on underneath I do not know. What they wear underneath they can dispense with if necessary or if they are starving.

So far as competition at present prices is concerned, not a long while ago I took some of our handsomest products, or sent them by a salesman, to a large importing house, and my salesman came back with the word that they would have to sell at our prices, and I was offering them at 25 per cent below my prices, because I thought it might give me an extra outlet and help tide over the bad times existing to-day; that if I can compete with them successfully, except when there is a scarcity, I do not know it.

Machines here have been mostly used in making specialties for this market. When we first commenced manufacturing in 1875, we had to introduce a number of articles in this country in order to keep our plant going, and a single instance might be cited. There is a gentleman in this room now who was one of our first customers, buying an article called "embroidered slippers," and who gave us large orders for them. That was an article not imported at all. We also introduced other goods in this country that the demands might require, which were not imported at all. Since that time, occasionally, when there has been a scarcity, we have made goods in competition with theirs, but that has been very seldom. On the other hand, the designs which we have been to great labor and expense to get up, and designs which were original with us, have been sent to Europe and copied and sent back here at prices with which we could not compete.

Mr. UNDERWOOD. Are you satisfied with the present schedule?

Mr. KURSHEEDT. No, sir. It is quite impossible for us to compete to-day on the better classes of goods. The very moment there is a sufficient supply of the better classes of goods imported, it is impossible for us to compete.

Mr. UNDERWOOD. Under the present schedule you have been developing your business, have you not?

Mr. KURSHEEDT. At times we have. At other times we have made enormous losses, because we really were dependent upon fashion.

Mr. UNDERWOOD. It has been sufficient inducement for you to stay in the business, has it not?

Mr. KURSHEEDT. We have been able to remain in the business, but our earliest competitors that we had originally are now out of the business; I do not know that there is one out of a dozen left.

Mr. UNDERWOOD. You expect to remain in business if the present schedule is continued, do you not?

Mr. KURSHEEDT. Speaking for myself personally?

Mr. UNDERWOOD. Yes.

Mr. KURSHEEDT. I do not know. Sometimes it is very hard to get out of business when you want to.

Mr. POW. How much increase are you asking in the tariff rate?

Mr. KURSHEEDT. I think according to these schedules, it would be, on the fine goods, about 75 per cent.

Mr. UNDERWOOD. Not that much increase? You mean you want it increased to 75 per cent?

Mr. KURSHEEDT. Yes, sir; that is the idea.

Mr. UNDERWOOD. Would that enable you to sell your manufactured products cheaper?

Mr. KURSHEEDT. That would enable us to do more business, and at the same time, I think, on that particular class of goods the increase in duty will make up any possible difference in sales, because, as I stated before, it is not the price of the goods if they really want the goods.

Mr. UNDERWOOD. If you get what you ask for—this protection of 75 per cent—would that eventually enable you to sell at somewhat lower prices?

Mr. KURSHEEDT. On a great many goods; yes. On cheaper goods there certainly would be a lowering of prices. There is no question about that, that on the cheaper goods there would be a lowering of prices, because there would be more domestic competition.

Mr. UNDERWOOD. The more protection given to the manufacturer the lower that enables him to sell his goods?

Mr. KURSHEEDT. I am not meaning to say that. I mean to say the domestic manufacturer will compete and make his prices lower. I understood your question to mean whether the consumer would get the goods cheaper.

Mr. UNDERWOOD. Several gentlemen stated that here, and I do not know whether you subscribe to that view point or not.

Mr. KURSHEEDT. Do I understand you to say you want to know whether the consumer would get the goods cheaper?

Mr. UNDERWOOD. Yes. If we give you the protection, would that enable you to sell the goods cheaper to the consumer?

Mr. KURSHEEDT. I think the consumer will get the goods cheaper because of competition.

Mr. UNDERWOOD. Certainly.

Mr. KURSHEEDT. But at the same time the advantage to us would be that if we could operate our machines more steadily and not have our plants at times stopped, perhaps, for six months—

Mr. UNDERWOOD. That is, the more protection we give you, the more you are able to do for the people who buy the goods?

Mr. KURSHEEDT. The ultimate result would be, and has been in a great many cases, that the consumer is benefited by it. I do not question at all but of the ordinary, the common goods, a person could manufacture for stock, and we certainly would have to sell very cheap, of course, and the consumer would get the benefit of it.

Mr. LONGWORTH. Would your proposition in that case increase or decrease the revenues of the Government?

Mr. KURSHEEDT. I think the revenues would probably be increased. I think the increase would compensate for any difference there might be in the amount imported.

Mr. LONGWORTH. Then you do not agree with the gentleman who spoke a while ago, who said the reduction to 50 per cent would increase the revenue?

Mr. KURSHEEDT. On the contrary, I know it is a fact that goods sold more largely when they were highest in price. A year or two

ago, when we had the highest prices, they could not get goods enough to supply the market, and to-day they are coming over at lower figures and it is harder to sell them.

Mr. RANDELL. How could the tax be reduced and thereby bring in more foreign goods and at the same time decrease the price to the consumer and make more goods produced at home?

Mr. KURSHEEDT. The idea is this: If you increase the duty, that is in the nature of an increase. On the other hand, if there are less goods imported it is in the nature of a decrease.

Mr. RANDELL. You say the increase in the tariff will decrease the price to the consumer, and yet by an increase of the tariff you will have more imports because of the increase in the price? How can both be correct?

.. Mr. KURSHEEDT. That is not correct.

Mr. RANDELL. That is what you said.

Mr. KURSHEEDT. What I stated was that the competition here would naturally, on the lower classes of goods, reduce the price.

Mr. RANDELL. But if the manufacturers here desire to join together by common consent, then they could increase the price to the consumer and be in condition to compete that much more with the foreign manufacturers at the same time, could they not?

Mr. KURSHEEDT. There is a peculiar situation in relation to that. That is, a man with very small capital can engage in that business, and it is a fact to-day, although there are large plants in Switzerland, any number of machines are owned by individual persons, and also there are machines throughout the United States, even out in California, that belong to one man, one man often owning one or two machines. A workman having only \$100 or \$200 can engage in one branch of the industry.

Mr. RANDELL. Would it not decrease the imports and increase the consumption of domestic goods?

Mr. KURSHEEDT. It might decrease the imports, but perhaps not if the demand is large enough. The imports have doubled in six years. Of course, any such further increase or anything proportionate to it would take up that difference, and the increase in the duty would compensate probably for the loss on imports.

Mr. GRIGGS. A man stated here the other day that his business had been protected so long he could not get along without protection. Now, you say yours is so young it can not get along without it. Is that a correct statement?

Mr. KURSHEEDT. When we started in we had a duty of 35 per cent—

Mr. GRIGGS. Wait a minute. I asked a question, and it could be answered categorically, yes or no. I said a man stated here the other day that his business had been in existence so long he could not get along without protection. You say yours is so young it can not get along without it. Is that a correct statement?

Mr. KURSHEEDT. We never have had adequate protection.

Mr. GRIGGS. Sixty per cent is not adequate?

Mr. KURSHEEDT. Not where the labor is a very large factor.

Mr. GRIGGS. A gentleman stated here a few moments ago that machines have been invented that do the work of two or three hundred laborers. Where does that labor factor come in?

Mr. KURSHEEDT. Perhaps his statement was like a good many other statements.

Mr. GRIGGS. You mean it was not correct?

Mr. KURSHEEDT. That depends on what he means by it.

Mr. GRIGGS. Was it true or not true?

Mr. KURSHEEDT. On certain articles you can hardly compare hand embroidery with this particular kind of machine embroidery he described. What he meant, probably, was that one of those machines did the work of a large number of hand embroiderers. At one time, I believe, in Ireland, seventy-five or one hundred years ago, there were about 250,000 women doing hand embroidery; but when they introduced the first machines in Switzerland after a number of years Ireland nearly lost that industry. They felt the competition very keenly. In that way perhaps he meant that one machine would do the work of that number—in that way. Nevertheless there are a large number of women to-day, perhaps just as many, engaged in making hand lace.

Mr. GRIGGS. If I understand anything from what you said—and you can say more than any man I ever talked to——

Mr. KURSHEEDT. Thank you.

Mr. GRIGGS. Without saying anything—you say that he was perfectly correct in making that statement. Is that correct?

Mr. KURSHEEDT. I did not quite understand you, apparently.

Mr. GRIGGS. Did you say his statement was correct, that you have a machine that will perform the labor of 200 or 300 people—say 200? I will throw off the other hundred.

Mr. KURSHEEDT. As I explained the hand embroidery——

Mr. GRIGGS. Can you not tell whether the man was telling the truth or not?

Mr. KURSHEEDT. If you can tell me exactly what he means, perhaps I can. I am trying to interpret his meaning.

Mr. GRIGGS. He said a machine has been invented which takes the place of 200 or 300 laborers. Now, is that the truth or not? That is what I want to know, and while I want to be perfectly respectful to you, I want an answer to my question.

Mr. KURSHEEDT. If I can understand exactly what he means, I take it as meaning that it supplants the hand embroidery, but the hand embroiderer works right along beside that machine, and sells hand embroidery that that machine does not affect practically at all.

Mr. GRIGGS. I did not ask if such a machine had been made. He said a machine had been invented which took the place of 200 or 300 laborers. I do not care who invented it, why it was made, why it is manufacturing now, where you have to get it, or anything about it. I want to know if he told me the truth when he said that.

Mr. KURSHEEDT. Naturally he told the truth. There are lots of things invented that do that—not for manufacturing laces, but only for cutting the threads, I think is the machine he meant.

Mr. GRIGGS. Then, that was not so?

Mr. KURSHEEDT. The impression he conveyed to you was not so.

The CHAIRMAN. He said, "That was not so?" Say yes or no to that question. You can answer that without making a speech.

Mr. GRIGGS. I do not believe he can.

The CHAIRMAN. Then he need not answer it at all.

Mr. GRIGGS. I hear very often the expression among the ladies of "lace" and "real lace." What is the difference?

Mr. KURSHEEDT. Real lace is made by hand, and the other lace is made by machine.

Mr. GRIGGS. Do you believe the American women are ever going to be persuaded to buy very largely of our homemade laces?

Mr. KURSHEEDT. Do I believe American ladies will buy American laces?

Mr. GRIGGS. Yes.

Mr. KURSHEEDT. I know it, because we sell them.

Mr. GRIGGS. That is the only thing I have found out you knew since I have been talking to you.

The CHAIRMAN. I do not think the American women are half as foolish as some of you men think.

**STATEMENT OF CHARLES SHONINGER, OF NEW YORK CITY,
RELATIVE TO LACES AND EMBROIDERIES.**

MONDAY, *November 30, 1908.*

Mr. SHONINGER. Mr. Chairman and gentlemen of the committee, I want to speak with reference to embroideries and laces. There seems to have been some misunderstanding. I listened to the statements made, and I wish to repeat there has been some misunderstanding in regard to the matter of laces and embroideries. The two things are practically distinct. The lace industry is a distinct industry, although usually the houses that handle one article may handle them both.

Comparisons have been made in regard to the domestic goods and the foreign goods, and questions have arisen here as to whether or not the goods could be made here, whether or not the importations would continue, what the revenues might be in case the rate was reduced, whether or not the domestic-produced articles would supplant the foreign, and other information in regard to the laces that I believe was not correctly given, and I would be very glad to give the committee the information.

Mr. GRIGGS. You mean you want to contradict something that has been said here this afternoon?

Mr. SHONINGER. I believe the answers were made without properly studying the questions.

The CHAIRMAN. Without apologizing for it, go on and make your statement.

Mr. LONGWORTH. In the first place, will you say whether you are in favor of a reduction or an increase of the duty?

Mr. SHONINGER. As an importer, I am in favor of a reduction.

Mr. LONGWORTH. Do you believe that would increase the revenue?

Mr. SHONINGER. I believe it might increase the aggregate revenue, inasmuch as possibly it would stimulate additional consumption of the article, and in that way give the Government just as much, if not more, revenue, while it would be no additional burden to the consumer, who would probably get his goods cheaper.

Mr. LONGWORTH. You heard a moment ago a gentleman advocating an increase of the rate, saying that it would increase the revenue?

Mr. SHONINGER. It certainly would increase the revenue, provided we continue to import the same amount of goods; in that case, the gentleman would be correct in his statement.

Mr. LONGWORTH. How can you both be right?

Mr. SHONINGER. If you will permit me to make a statement in regard to the laces before you cross-examine me—

Mr. LONGWORTH. Are we cross-examining you?

Mr. SHONINGER. Well, perhaps asking me questions would be a better way to put it. If you will permit me to make a statement before you ask me questions, I will be very glad, and I believe you will see the point which has not been explained before.

There are lots of laces made that can not be made in this country at all. For instance, there are the real laces. Then there is a certain high grade of machine laces that were called "hand-finished goods," that will not be made in this country.

The CHAIRMAN. The real lace is an article of luxury, is it not?

Mr. SHONINGER. Yes, sir. The real lace is an article of luxury. It can not be made over here at all. If the rate of duty was decreased on this particular line of goods it would probably result in a larger use of real laces and the class of goods that can not be made here and to those women who are bound to have these luxuries, and who pay for the same, it is immaterial whether the article pays the 50 per cent rate or the 60 per cent rate.

Laces are subject to the fluctuations of fashion and the consumption depends largely upon styles that are in vogue and when fashion favors the use of laces, the revenue would be increased accordingly.

Mr. LONGWORTH. Then you have no opinion as to whether it would increase or not?

Mr. SHONINGER. I am in favor of a moderate reduction and I believe it would stimulate importations and increase the revenue, notwithstanding that the rate was reduced, because the consumption of the article would in all probability be greatly increased, being more readily within the reach of the masses.

Mr. GRIGGS. You say you believe a reduction of the duty would increase the importations?

Mr. SHONINGER. It probably would.

Mr. GRIGGS. Do you think it would also stimulate the production in this country?

Mr. SHONINGER. It would not interfere with that in any way, because the copying will go on just the same. This country to-day does not create the styles, but imitates the foreign production.

Mr. GRIGGS. Answer my question, will you? Do you think it would stimulate production?

Mr. SHONINGER. It would not interfere with it. The two things go hand in hand. If the consumption increases and the foreign market can not supply the demand, then it would stimulate an increase in home production. Increase in the use of the goods would mean that a certain amount of increased consumption would take place of foreign goods, and at the same time an increase in the consumption of the domestic goods, and that is why I say the two things go hand in hand.

Mr. GRIGGS. I give it up. I can not get you to answer my question.

Mr. SHONINGER. If you will permit me, I will try to explain what seems to be a riddle to you.

Mr. GRIGGS. I want an answer to my question.

Mr. SHONINGER. I believe I did answer it. I do not believe that increased importations will interfere at all with the increased production in this country, for, as already stated, they would go hand in hand with increased importations. The question is one of supplying the demand. Increased demand must affect simultaneously both markets, as each market will supply the class of merchandise which it is best able to supply and which it is most advantageous for the consumer to use.

Mr. GRIGGS. That is as clear as the noonday sun.

Mr. SHONINGER. People would have their choice of the imported article or the domestic article.

The CHAIRMAN. Are there any other questions, gentlemen?

Mr. SHONINGER. I want to say one thing more. In considering the question of laces, it must be borne in mind that goods are originated on the other side, and that the world at large looks to France and other countries in which these goods are produced for the creating of new styles, and a great deal that enters into the cost of the article is the originating, creating, and experimenting, and that part of the cost is not borne by the manufacturer at this end at all, inasmuch as the American manufacturer copies foreign goods because the foreign goods are the ones that set the styles and create the demand.

They eventually become more common and are asked for by the masses, and from that time on the domestic article is used, because the goods are cheaper.

The foreign article will always be given the preference by the better class of consumers, those who closely follow the European styles, and as soon as goods are copied here and become common the demand for the foreign article declines and practically ceases, while the demand then centers upon the home-produced article.

**THE SCRANTON (PA.) LACE CURTAIN COMPANY CLAIMS THAT
PRESENT DUTY ON LACE CURTAINS IS NECESSARY.**

SCRANTON, PA., *December 1, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: Speaking in behalf of the interests of this company, I write to ask the retention of the present duties upon Nottingham laces, etc., as covered by paragraph 340 of the Dingley bill.

Our reasons for making the above request are as follows:

First. We are compelled to use machinery built exclusively in England, and upon which we have paid 45 per cent duty.

Second. We are compelled to import a certain portion of our yarns, upon which there is a duty of, approximately, 50 per cent; these yarns being of the finer grade, and the American yarns of the same grade as yet being inferior—this statement being made after a trial of said American yarns of several years.

Third. The American labor in this industry is paid 50 to 80 per cent higher than in England.

I believe that statistics show that the total importations of Nottingham laces have been decreasing annually, this being due, in my judgment, to the fact that domestic competition has been so severe during the last three years, due to overproduction, that domestic prices have been unduly low, so low, in fact, that this industry did not participate in the general prosperity culminating in October of 1907. I might incidentally remark that if during this period, covering several years, reasonable arguments as to price had been permissible under the law the trade would be upon very much surer footing with a consequent benefit to both capital and labor.

If confirmation of any of the above statements are desired the books of the Scranton Lace Curtain Company are open to anyone whom your honorable committee may designate to inspect same.

Very truly, yours,

J. BENJAMIN DIMMICK, *President.*

**THE INTERNATIONAL LACE COMPANY, NEW YORK CITY, ASKS
RETENTION OF PRESENT DUTIES ON LACE CURTAINS.**

NEW YORK, *December 2, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR: AS American manufacturers of what are known in the trade as "Nottingham lace curtains," we desire to place before your committee some of the reasons why our product needs proper protection.

One-half of the value of our production is in wages paid to labor. The lace is made entirely of cotton yarns, of which at least 25 per cent in value has to be imported, because it is not spun in this country, and on this we pay an average duty of about 50 per cent.

The machines (looms) on which the goods are made are not built in this country, hence must be imported, and a duty of 45 per cent paid on their cost, and as each machine costs from \$4,000 to \$6,000, the duty paid on all the machines in this country has been very large in amount and so a source of great revenue to the Government.

The machinery is positively useless, excepting for the making of this class of lace.

While Nottingham, England, for years was the center for the manufacture of our goods, Scotland has of late taken the lead, owing to the much lower scale of wages prevailing there, and so in justice to American manufacturers the Scotch rate of wages should be considered by your committee in arriving at the cost of foreign goods.

Our weavers, when fully employed, will earn from \$25 to \$35 weekly, while we are informed on credible authority that one of the largest Scotch manufacturers is paying a set wage of \$6.50 weekly, with a bonus that will allow their men to earn from \$7 to \$7.50 in extreme cases.

Our product is essentially a luxury and as such is properly subject to a higher rate of duty than necessities.

All of our accessory labor is paid not less than double what Great Britain pays for similar work.

The custom in Great Britain of renting one or more machines with power to operate them to weavers who have not sufficient capital to purchase them outright establishes an additional competition that is very hard to meet.

On the same machinery the weavers in Great Britain produce more goods than ours do, probably because the very much lower rate of wages paid them makes it necessary for them to work harder to earn living wages.

Our goods are woven in long pieces of from 30 to 50 yards; in some cases they are bought by the trade in the long (30 to 50 yard pieces), known as yard goods or piece goods. Often the long piece is divided into $2\frac{1}{2}$, 3, $3\frac{1}{2}$ yards, and various other lengths, known in the trade as curtains. Because Nottingham curtains were mentioned in the tariff law of 1897 and yard goods or piece goods not mentioned specifically, we find that Nottingham curtains come in under paragraph 340, paying a combined specific and ad valorem duty, while Nottingham yard or piece goods come in under the all ad valorem paragraph covering nets and nettings and other curtains not anything like the product of the Nottingham machine. The result is that the same lace made on the same machine, of the same materials and often the same in design, can be sold in this market by the foreign manufacturers at a much lower price in yard goods than if cut up into curtains, making it impossible for us to compete.

The specific and ad valorem duty, as per paragraph 340, was intended to protect the manufacturers of Nottingham (lace goods), and so should be made to cover the product of the machine, no matter what trade name may be given it; or whether it is disposed of in the same length and width as it leaves the machine or is afterwards cut into smaller pieces.

For the foregoing reasons it is absolutely necessary, if Americans are to continue to manufacture these goods, that paragraph 340 of the tariff act of 1897 be continued as it is, excepting to have Nottingham yard goods or piece goods added to "curtains, bed sets, pillow shams, etc.," which are now enumerated in it. Or it would be more simple and work an injustice to no one to have the paragraph cover the product of the Nottingham lace-curtain machine.

If there is any information we can supply the committee we will be pleased to do so.

Very respectfully, yours,

INTERNATIONAL LACE COMPANY,
GEO. E. LACKEY, *President.*

**THE PATCHOGUE MANUFACTURING COMPANY, PATCHOGUE,
N. Y., ASKS THE RETENTION OF THE PRESENT DUTY ON NOT-
TINGHAM LACE CURTAINS.**

NEW YORK, *December 3, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

House of Representatives, Washington, D. C.

SIR: As manufacturers of Nottingham lace curtains at Patchogue, Long Island, in which a capital of over \$1,000,000 has been invested in our curtain factory, we desire to go on record as requesting that the

present duties providing a duty of 60 per cent on lace curtains under paragraph 340 be retained, and that the same be not reduced. Under this duty it has been possible to manufacture in this country lace curtains in competition with Great Britain. At the present time the conditions surrounding the manufacture of these goods are exactly the same as they were at the time of the passage of the present tariff, with the difference, however, that the scale of wages of our weavers has advanced about 30 per cent, and that to-day we are paying from 50 to 85 per cent more than the Nottingham union for this labor. To lower the duties on these goods would make it impossible to compete with the foreign goods; would depreciate the capital now invested in this industry; would curtail employment, and would work serious injustice to laborers and manufacturers.

Respectfully,

THE PATCHOGUE MANUFACTURING COMPANY,
PH. LANDAUER, *Vice-President.*

PHILADELPHIA MANUFACTURERS OF NOTTINGHAM LACES ASK FOR RETENTION OF PRESENT DUTIES.

PHILADELPHIA, *December 4, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR: We wish to offer the following figures and facts, as evidence for the justness of our contention:

First. The dependence of the industry on the foreign manufacturer for specially prepared yarns. From January 1, 1906, to December 1, 1908, 32 per cent in value of all yarn used in the manufacture of curtains at the Joseph H. Bromley plant were imported at an approximate duty of 50 per cent.

Second. The difference in wages for weaving Nottingham lace curtains in Nottingham and Philadelphia for the various grades of curtains making in the Joseph H. Bromley plant, under date of November 21, was 68.45 per cent higher in Philadelphia, as proven by the attached affidavit marked "Exhibit A."

Third. The published prices of the Nottingham Lace Curtain Weavers' Union, on which the comparison in Exhibit A is based, is only interesting as a matter of information, as the wages paid the lace weavers in Scotland are so much lower that even the manufacturers of Nottingham can not compete with those of Scotland; Therefore,

Fourth. The lower rate of wages paid the Scotch lace weavers is substantiated by affidavits made by Scotch weavers in the employ of the Lehigh Manufacturing Company, marked "Exhibit B," from which you will note that our competition is not with the 68½ per cent advance we pay over the union rate of Nottingham, England, but with the 164 per cent to the 327 per cent advance over the Scotch rate of wages, the weavers here being paid 2¾ to 4¼ times those of Scotland. (See the comparisons of Exhibit B, made by the timekeeper and paymaster of the Lehigh Manufacturing Company.)

Fifth. Instead of the pitiable paid female help of Scotland, which we neither could nor would duplicate, the girls and women employed in the Nottingham lace curtain industry of Philadelphia are the highest paid of its many important textile industries.

Sixth. Wages paid in Philadelphia for all labor entering into a Nottingham lace curtain, for which we have substantiated records to date, is from two to four times that paid in Scotland.

Seventh. We not only have no advantage in production or efficiency, man for man, loom for loom (see affidavit marked "Exhibit C"), but on the contrary the Scotch manufacturers exercise the right to run their machines 132 hours per week against our 97 hours per week, thereby getting nearly one-third more production from the same number of machines. This is an important factor in competition, on account of the high cost of a lace-curtain machine in proportion to the value of its product, which we would rather be protected from than be forced to adopt, as the American weavers will not work the Scotch hours, claiming that it is not for their welfare.

We stand ready to give you any further information that you may desire, and we ask for the retention of the present duties provided for in paragraph 340.

Yours, very truly,

JOHN BROMLEY SONS.
JOSEPH H. BROMLEY.
LEHIGH MANUFACTURING CO.
NORTH AMERICAN LACE CO.

EXHIBIT A.

I have gone over pay roll of weavers for week ending November 21, 1908, and find that the average wage paid for entire production of the mill for that week was 0.11153 cents per rack. If this pay roll had been made up from the published Nottingham union wage scale, the average rate paid would have been 0.06621 cents per rack, showing American wage scale to be 68.45 per cent higher.

S. A. SPERING, *Office Manager.*

Sworn and subscribed to before me this 4th day of December, A. D. 1904.
[L. s.]

FRED E. SCHMIDT,
Notary Public.

Commission expires January 21, 1911.

EXHIBIT B.

In 1906 I worked at Goodall & White's, Glasgow, Scotland, as a lace weaver, working an 8-point 360-inch machine at the rack rate of 1½ pence for ordinary double action and 2½ pence for double-action madras. Previous to 1906 I worked for Muir Brothers, Newmilns, at the set wages of 26 shillings, where I learned the trade, working the first year for 18 shillings, the second year for 21 shillings, the third year for 24 shillings, and the fourth year for 26 shillings.

ALEX SMITH.

Sworn to and subscribed before me this 3d day of December, A. D. 1908.
[L. s.]

WILLIAM BUCKLEY,
Notary Public.

Commission expires January 14, 1909.

The wages of Alex Smith for the weeks of November 21 and 28 were \$29.85 and \$25.05 (Thanksgiving week), working a total of seventy-six hours and making 448 racks.

Working by hours, Alex Smith averaged \$27.76 per week of forty-four hours, or $4\frac{1}{2}$ times the time rate of Muir Brothers, Scotland.

Working by racks at the American rate of 0.1000 per rack for 8-point 360-inch ordinary double action and 0.1121 per rack for double-action madras, he would have averaged for each week when making ordinary double action \$8.40 in Scotland, as against \$22.40 in America, or, if making double-action madras, \$9.52 in Scotland, as against \$25.11 in America. The American rate is 167 per cent higher than that of Goodall & White, Glasgow, on the ordinary double-action goods, and 164 per cent on the double-action madras goods.

E. S. WEISS, *Timekeeper and Paymaster.*

Sworn to and subscribed before me this 3d day of December, A. D. 1908.

WILLIAM BUCKLEY,
Notary Public.

Commission expires January 14, 1909.

In 1905 and 1906 I worked at Hood Morton's, Newmilns, Scotland, as a lace weaver, working an 8-point 360-inch machine, at set wages of 26 shillings per week of forty-four hours, the masters working the machines three shifts or one hundred and thirty-two hours.

ALLAN ATHY.

Sworn to and subscribed before me this 3d day of December, A. D. 1908.

[L. s.]

WILLIAM BUCKLEY,
Notary Public.

Commission expires January 14, 1909.

The wages of Allan Athy for weeks ending November 14, 21, and 28, were \$26.26, \$24, and \$19.45 (Thanksgiving week), respectively, working one hundred and forty-one hours. This is an average of \$21.75 per week of forty-four hours, or $3\frac{1}{2}$ times what he was making in Scotland for the same number of hours.

E. S. WEISS, *Timekeeper and Paymaster.*

Sworn to and subscribed before me this 3d day of December, A. D. 1908.

[L. s.]

WILLIAM BUCKLEY,
Notary Public.

Commission expires January 14, 1909.

EXHIBIT C.

Nottingham lace-curtain machines of the United States, England, and Scotland are all of the same makers, run at the same speed, so the production is the same, man for man, loom for loom. The earnings as set forth in the cases of Allan Athy and Alex Smith are selected solely because they recently came from Scotland, are weavers of average ability, and represent an average of the increased earnings of lace-curtain weavers in the United States as compared with those in Scotland, due solely to the difference in wage rates.

WM. BROWN, *Machine Foreman.*

Sworn to and subscribed before me this 3d day of December, A. D. 1908.

[L. s.]

WILLIAM BUCKLEY,
Notary Public.

Commission expires January 14, 1909.

STATEMENT OF P. M. GRAUL, OF LEHIGHTON, PA., REPRESENTING
AMERICAN LACE MANUFACTURING INDUSTRY.

WEDNESDAY, *December 16, 1908.*

(The witness was sworn.)

Mr. GRAUL. Mr. Chairman and gentlemen, we are here representing the entire lace-manufacturing body of this country, which consists of but nine manufacturing plants, and they are as follows: The Hall Lace Company, of Jersey City; The Warwick Lace Works, of River Point, R. I.; the Richmond Lace Works, of Alton, R. I.; The American Lace Manufacturing Company, of Elyria, Ohio; The Lehighon Lace Company, of Lehighon, Pa.; The American Textile Company, of Pawtucket, R. I.; The Rhode Island Lace Works, of West Barrington; Marshall, Field & Co., of Chicago, and the Jennings Lace Works, of Brooklyn.

Those are the only nine concerns in this country that are manufacturing lace trimmings, and five of those are represented here to-day: The Hall Lace Company, by Thomas H. Hall and E. W. Jennings; the Warwick Lace Works, by William Stoppard; the Richmond Lace Works, by C. S. King; the American Lace Manufacturing Company, by R. W. Ely; the Lehighon Lace Company, by P. M. Graul (myself) and J. A. Dodd.

In view of the fact that the importers of lace have asked for a reduction of the present schedule from 50 to 60 per cent, and the cotton spinners on fine yarns a change in the present schedule from 78-2 to 180-2 in the price of yarn, amounting to almost double the present tariff, the lace manufacturer, who stands in the middle of those two, comes to-day asking for an increase in the tariff from 60 per cent to at least 70 per cent, and we propose by some of our experts who are with us later to show that we are entitled to this, owing especially to the question of the increased cost of labor in this country—that in addition to the fact that we have a very high tariff on fine yarns and that there is a tariff of 45 per cent on machinery, which is exclusively imported, in the manufacture of these laces. I will therefore make room for Mr. Thomas H. Hall, the practical man representing us, who will present his arguments asking for an increase in the tariff on the manufacture of lace.

Mr. UNDERWOOD. What is the consumption of lace in the United States, about?

Mr. GRAUL. The total importations, comprising lace curtains and ruchings, amounted in 1907—I have not the statistics, but I will give them to you as near as I am able—to between thirty-five and forty millions.

Mr. UNDERWOOD. Imported?

Mr. GRAUL. Yes, sir; and probably half of that will be lace curtains and edgings. We are asking for lace edgings and trimmings, which is practically an infant industry, represented by the only concerns in this country, which I have given here.

Mr. UNDERWOOD. The importation of lace trimmings, then, outside of lace curtains, amounts to about \$17,000,000 a year?

Mr. GRAUL. Seventeen to eighteen million dollars a year, lace curtains.

Mr. UNDERWOOD. What is the production of lace curtains in this country?

Mr. GRAUL. If anything, it is not more than three million in this country by those particular nine plants.

Mr. UNDERWOOD. And the duty is how much?

Mr. GRAUL. Sixty per cent on imported lace.

Mr. UNDERWOOD. You have a 60 per cent duty, and out of the twenty million consumed in the country seventeen million is imported. Is that right?

Mr. GRAUL. That is about the proportion.

The CHAIRMAN. The total importations last year, at 60 per cent, is \$39,737,000. That includes lace and lace window curtains.

**STATEMENT OF THOMAS H. HALL, OF JERSEY CITY, N. J., WHO
ASKS FOR AN INCREASE OF DUTY ON LACES.**

WEDNESDAY, *December 16, 1908.*

(The witness was sworn.)

Mr. HALL. I can only speak, Mr. Chairman and gentlemen, from a practical standpoint. I have been engaged in the manufacture of lace for a number of years, ranging from lace nets and veilings to cotton lace, which we are now manufacturing. The experience which we have had during that period of time has indicated at all times a very close approach to the fact that in very many cases foreign lace could be brought here at a lower price than it can be made for. That, of course, is not true in all cases. I think you ought to understand one thing, and that is that laces are of great variety. The lace machine makes a great variety of goods. Some machines will make veilings and heavy lace—I am not speaking of lace curtains at all, but about trimming lace, such as is used by ladies on all kinds of garments, outer and under garments—and consequently it sometimes will happen that one article of lace may be fairly well protected by a 60 per cent tariff while another article of lace is not at all protected by a 60 per cent tariff. The cost of the machines for making this lace varies, according to size and gauge, that of the standard machines, which are now being imported, being somewhere from \$10,000 to \$11,500 when all set up and ready for running. The cost of the plant complete, according to figures which have been given to me and which I have verified to a great extent, and according to quotations which I have had from the other side, and in my own judgment, would be from \$19,000 to \$22,000 per machine to a properly equipped lace factory. In other words, the investment is necessarily large. The duty, as you know, on such machinery is 45 per cent, and that with the ocean freights and packing, which has to be done very carefully on such fine machinery, brings up the cost considerably. I would say, in the first place—and you gentlemen can verify it, and you probably know more about it than I do—that I consider on an average that the duty on cotton yarns ranging in size anywhere from 20-2 and sometimes 30-3 to 200-2. At a varying rate of specific duty, and I should say that this is the yarn which enters into the manufacture of lace will pay from 33 to 40 per cent duty if it were put on an ad valorem basis; in other words, the yarns which the English manufacturer uses—a great many of those goods are made

in England. The yarns which the English manufacturer uses will cost him not more than 25 per cent of what the yarn will cost us here.

The cost of labor varies in England and in France as it varies here, somewhat depending on the character of machines used, whether of the largest type or not. Our larger type of machine would show the best results for the advocates of the lower tariff. We find that the large machines on the other side are machines of 220 inches or thereabouts in width, and are sometimes run as low as 9 or 10 cents, that is 4½ or 5 pence, and not, as a rule, more than 6 pence, or 12 cents; whereas on this side such a machine as that brings from 19½ to 23 or 24 cents; that is for the rack which is used by the lace manufacturers in estimating piecework. That means that the labor here costs practically, in the making, very nearly 100 per cent more, very nearly double. In the finishing we find that girls and women, who are employed on the other side, earn about 7 shillings—I may refer to papers?

The CHAIRMAN. Certainly.

Mr. HALL. We find in the finishing that the English pay \$1.25 to \$3 to girls and women for finishing and we have to pay from \$3 up to \$8.

Mr. CLARK. A week?

Mr. HALL. Yes, sir; a week. The other things are in proportion, and I think it is a perfectly safe proposition to say that we are paying at least double for the labor. In England and France, where the lace industries are centered largely, in certain localities there are certain provisions made for the manufacturers which enable them to work to great advantage and with great economy. Such a condition has in this country prevailed in Gloversville in the glove industry, where it is centered. Our industries are not centered; they are scattered through different parts of the country. There is no question at all, and I think it is safe to say, that the cost of overhead expenses—such as making the patterns, the jackard cards, to produce the patterns—the cost of rent and the other overhead expenses—will amount to probably 20 per cent of the cost of the finished product, and the average over there is less than half of our cost here, as a general rule. Many of those conditions will be eventually improved on in this country. Our cost will be reduced as more manufacturers come here, but at present that is exactly what we have to contend with.

The CHAIRMAN. Your time has expired. I will give you three minutes more.

Mr. HALL. I would say that the cost of yarns will vary—the percentage on a basis of 10 over here on the cost of yarn and labor would vary from 20 per cent on yarns, 60 per cent of labor, and 20 per cent of the overhead expense of which I have spoken down to 40 per cent of yarns, 40 per cent of labor, and 20 per cent of overhead expenses.

The CHAIRMAN. Have you those figures in your brief?

Mr. HALL. I haven't them in the shape of a brief, but I would be very glad to put them in one. Reducing it on the basis on which I have spoken—in this one case 70 per cent, for which we have asked—would bring the total cost of producing lace in the one case up to 93.5 per cent of American cost, and in the other case it would bring it to 102 per cent of the American cost.

Mr. UNDERWOOD. If this increase is allowed you, do you think that that will develop the lace industry in this country so that it will ultimately stand on its own feet as a competitor of foreign lace?

Mr. HALL. I certainly think it will do so up to the point where the normal difference in labor will come in. I think we are paying an abnormal difference in labor at the present time, which would not occur if the lace industry was fairly established in this country.

Mr. UNDERWOOD. Do you think we can ever make as fine a lace in this country as the Irish and French lace?

Mr. HALL. The Irish laces are not machine-made laces. I am only speaking of machine-made lace. There are a great many handmade French laces, but the laces that I speak of are machine made, and there is no reason why we should not produce just as fine laces here as they do in France.

Mr. UNDERWOOD. This would only apply to the machine-made laces?

Mr. HALL. That is the one in which we are asking for an increased duty.

Mr. HILL. You asked for an increase from 60 to 70 per cent?

Mr. HALL. Yes, sir; on the lace schedule.

Mr. CLARK. How long have you been in the lace business?

Mr. HALL. We have actually been making cotton laces, which are the ones mostly produced in this country, since 1904.

Mr. CLARK. How much money did you put in when you started?

Mr. HALL. I would have to go some distance back to answer that question clearly.

Mr. CLARK. What I want to get at is, how much did you put in when you started into the lace business for yourself in 1903 or 1904?

Mr. HALL. The Hall Lace Company, which I represent here, was really established in 1905. It started with part of a plant which belonged to H. S. Hall, and which was included in a plant, a general manufacturing plant, part of which was given over to the manufacture of silk gloves. This part of the plant, I might say, had been partly used in making hair nets.

Mr. CLARK. Do you know how much you put in?

Mr. HALL. I know exactly what was put into the business.

Mr. CLARK. How much was it?

Mr. HALL. I do not wish to evade the question at all. I am trying to put it in a clear way. The total expenditure for machinery, including fair allowances for what we already had at that time, was about \$45,000.

Mr. CLARK. How much is your firm worth now? How much is that company worth now?

Mr. HALL. About the same amount is in machinery.

Mr. CLARK. How much dividends have been paid?

Mr. HALL. I would say it is worth about \$10,000 more than it was. It has not paid any dividends at all.

Mr. CLARK. It has been losing money all the time, has it?

Mr. HALL. I would not say that; we have made some money, but we have little cash capital.

Mr. CLARK. How did you dispose of what you have made?

Mr. HALL. For working capital.

Mr. CLARK. How much working capital have you got?

Mr. HALL. I would have to get my balance sheet to answer that.

Mr. CLARK. About how much? You surely know something about it.

Mr. HALL. I do not see how I can answer that question clearly to the satisfaction of the committee.

Mr. CLARK. You will answer it to the satisfaction of the committee if you will state the facts. I can tell within \$100 of how much I am worth in less than two hours from now, and I do not see why you can not. What I want to know is this: How much money you have put into that thing and how long you have been at it, and how much money you have made. I do not care a straw what you did with the money, whether you put it in your pocket or invested it in a house and lot, or whether you put it back in this plant to increase the value of the plant. You surely must be able to tell, and if you can not do it now I want you to put it in your brief.

Mr. HALL. I am personally willing to do that. I think I understand what you mean. Our assets are, if I remember correctly, about \$55,000, the net assets of the concern.

Mr. CLARK. Now, in the meantime you have all made a living out of it?

Mr. HALL. Yes, sir; in the way of salaries. Nothing has been paid out except for services rendered.

Mr. CLARK. Did you dispose of any part of this property in any other way but to increase your plant?

Mr. HALL. No, sir; we did not—positively, no.

Mr. CLARK. And your net profits out of it, then, are a living for all concerned in the way of salaries and \$10,000 increase in the plant?

Mr. HALL. Yes, sir; about that.

I. A. LAHEY & SONS, NEW YORK CITY, RECOMMEND A REDUCTION OF DUTY ON LACE GOODS.

NEW YORK, *December 18, 1908.*

HON. S. E. PAYNE, *Washington, D. C.*

DEAR SIR: We beg to offer a few suggestions for compiling the tariff, and trust that they will receive favorable notice.

We consider the duty of 60 per cent on laces enormous and trust that the duty will be reduced considerably. The most feasible way, if ad valorem duties are to continue, would be to reduce the duty, perhaps, 5 per cent semiannually. By such methods the holders of stocks here would not sustain such heavy losses. We trust that duties on hand-made laces may be reduced at once and believe that if the goods were admitted at a duty of 20 per cent the revenue derived from these goods would far exceed what the Government has received for years, as it is conceded that the bulk of these goods are smuggled, 60 per cent duty being a great incentive. Real laces, or what are known as "hand-made" laces on cushions, etc.—great values of these can be put in a very small space.

Our Mr. I. A. Lahey has been in the lace trade since 1854.

Respectfully, yours,

I. A. LAHEY & SONS.

AMERICAN MANUFACTURERS OF WOMEN'S WEAR ASK REDUC-
TION OF DUTIES ON LACES AND EMBROIDERIES.

NEW YORK, *December 18, 1908.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: Inclosed please find a petition of manufacturers of women's, misses', children's, and infants' underwear, waists, dresses, corsets, hats, caps, aprons, etc., of the United States of America, in behalf of a reduced tariff on laces and embroideries, which is respectfully submitted for the valued consideration of the honorable Committee on Ways and Means.

Very truly, yours,

NEWMARK BROS. & SALZMAN,
FRED NEWMARK.

DECEMBER 18, 1908.

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

GENTLEMEN: The petition of the undersigned manufacturers of the United States, engaged in the manufacture of women's, misses', children's, and infants' underwear, dresses, waists, corsets, hats, caps, aprons, etc., employing many thousands of skilled operators, respectfully present to the honorable Committee on Ways and Means of the House of Representatives as follows:

The manufacturers of such underwear, waists, dresses, corsets, hats, aprons, etc., throughout the United States, in connection with the manufacture thereof, use large quantities of trimmings, such as laces and embroideries, the character, pattern, and shape of which constitute them as an essential and important portion of the raw material used in the manufacture of these garments. One of the principal features of this manufacture is the application of such trimmings to the garments, necessitating the employment of skilled labor. A very large proportion of such labor in these industries is engaged in the application of these trimmings to the garments.

We therefore submit to the consideration of the honorable committee the fact that the larger the quantity of trimmings used in such application in the manufacture of such garments, the larger must necessarily be the number of skilled employees engaged in such production.

In the opinion of the undersigned, the present excessive high tariff so enhances the cost of laces and embroideries that as a result it materially restricts their use in the manufacture of such garments, and as a consequence the number of skilled hands employed in the manufacture of the aforesaid garments is greatly reduced.

In the many years during which the manufacture of laces and embroideries in this country has been protected by a high tariff the production of such laces and embroideries used in the manufacture of the aforesaid garments has been negligible in quantity and largely of a very inferior quality.

In order to overcome the excessive tariff upon laces and embroideries, it has been necessary for the importers of these trimmings to supply an inferior grade of goods, made especially for the American market, to be used in the production of garments that can be sold to the masses at popular prices.

We firmly believe that a lower tariff on these trimmings will bring them into larger use for the manufacture of popular-priced garments, and thus give employment to a greater number of skilled hands.

The undersigned confidently anticipate, from the rapid growth in the last few years of the manufacture in this country of the garments referred to, that if the tariff on laces and embroideries should be considerably reduced the use of them would be increased to such an extent that the revenue to the Government from their importation would exceed in amount that which is now derived under the present high tariff.

The excessive duty on this class of trimmings greatly restricts the export to foreign countries of the class of goods manufactured by the petitioners. The undersigned manufacturers of women's, misses', children's and infants' underwear, waists, dresses, corsets, hats, caps, aprons, etc., further believe that the artistic character of such goods manufactured in this country is superior to that of garments of similar nature manufactured in other countries. These garments are composed of cotton material, the cotton of which is grown in this country, the cloth woven, the thread spun, and the buttons manufactured here, and added to these advantages are the more up-to-date and superior methods of manufacture. It is therefore believed that with a lower tariff on trimmings the American manufacturers of such garments will be enabled to eventually compete with the foreign manufacturers and obtain an outlet in every civilized country of the world.

It is respectfully submitted that in the opinion of the undersigned a duty upon such trimmings should not exceed 30 per cent ad valorem.

The undersigned manufacturers have joined in this petition and sign their names hereto and set opposite their names their addresses and the number of their employees.

Dated December 12, 1908.

All of which is respectfully submitted.

Firm name.	Address.	Number of employees.
The A. H. Jackson Manufacturing Co., by A. H. Jackson, president.	Fremont, Ohio.....	1,000
M. Martin & Co., by J. L. Hollander, president, and H. S. Martin, vice-president and treasurer.	New York.....	3,000
The Lisan Ladies Underwear Manufacturing Co., by Herman Brill.	.....do.....	500
Sondheim, Stein & Co., by S. Sondheim.....	.....do.....	450
A. S. Lusson.....	.....do.....	500
Adelson & Simon.....	.....do.....	500
Newmark Bros. & Salzman.....	.....do.....	750
A. Stern & Bros.....	.....do.....	250
Mitchell & Kronenberg Co., by J. Mitchell, president.....	200½ and 202 Greene st., N. Y.	350
Prince & Co., by Z. Prince.....	Southeast corner Eighth and St. Charles streets, St. Louis, Mo.	250
Olian Bros. & Co., by Leslie Olian.....	717 Lucas avenue.....	
Monarch Waist Co., by L. H. Well.....	St. Louis, Mo.....	
High Art Waist Co., by Max S. Mayer, president.....	.....do.....	
Schwartz & Wild, by Schwadz.....	.....do.....	
Ferguson McKinney Dry Goods Co., by Rhowlin Carey.....	St. Louis, Mo.....	

4842 SCHEDULE J—FLAX, HEMP, AND JUTE, AND MANUFACTURES OF.

Firm name.	Address.	Number of employees.
Bregstein, Simon & Co., by Benj. Bregstein	Brooklyn, N. Y.	50
M. Dornbusch & Co., by M. Dornbusch	do	25
K. A. Feore & Co., by L. F. T. Feore	do	80
M. H. Horowitz Sons, by Julius Horowitz	119 Spring street	30
Levi Bros., by Joe B. Levi	120 Wooster street	50
Grossman & Hecht, by Herman S. Hecht	73-5 W. Houston	60
MasRoevitz & Hecht, by E. MasRoevitz	50 W. Houston street	60
L. Herman & Co., by J. A. Herman	51 Greene street	65
Julius Sonn & Co., by Julius Sonn	451 East 11th street, N. Y.	200
M. Lewis, by M. Lewis	131 Canal street	50
L. Braun & Co.	Pittsburg, Pa.	75
M. Weisman & Son	New York	150
Rosen Brothers	do	125
Phil G. Heen & Sons	do	150
H. H. Hamilton & Co.	do	125
S. N. Beck & Co., by A. W. Wolf	New York	300
Samuel Heller & Co., by Samuel Heller, president	do	100
Queen Manufacturing Co., by Max Kuller	do	25
Fuld Bros., by Jonas Fuld	do	100
Joseph Wien	do	150
Schlaug & Fringston, by H. Schlaug	do	150
Samuel Corn	do	60
Reliance Waist Co., by Samuel Halperin	do	200
J. Rosenband & Co.	do	40
L. S. Hentbal & Bro.	do	90
S. Mayer & Sons	do	120
Brown & Co., by Jacob Brown	New York	75
Robert Bernhard & Co., by Robert Bernhard & Co.	do	100
Rosenthal Bros. Co.	do	500
Henry Cohen Co., by Max Cohen	do	80
Propp & Gerrick, by I. E. Gerrick	do	150
Lay & Way Co., by H. Ashmore, secretary	do	200
Sturm, Eisendrath Co., by Louis Eisendrath, president	Chicago, Ill.	2,200
Kreis & Hubbard, by A. Kreis, president	do	40
E. Lowitz & Co., by C. A. Shipley	do	100
Hugo Der Brock & Co., by A. Levi	do	125
Gage-Downs Co., by W. Lehman, president	do	do
Gory & Helle, by I. G. Helle	do	160
Countess Waist Co., by A. D. Riehey	do	100
D. Schwartz, manufacturer of skirts	do	75
Chicago Muslin Underwear Co., by J. V. Zuiswanger, president	do	do
Oshkosh Muslin Underwear Co., by Sol Kingsbaker, secretary	Oshkosh, Wis.	115
R. Kusbbaum & Son, by B. W. Kusbbaum	Indianapolis, Ind.	300
Gem Garment Co., per C. W. S. Cole	do	225
Gustave S. Roth, by Gustave S. Roth	16 East Broadway, New York	140
Randell Underwear Co., by Louis Roth	49 East Broadway, New York	160
Rosenberg & Z. Zuckerman, by H. Zuckerman	64 Grand street, New York	206
Gutman Bros., by L. Gutman	New York	105
Emanuel Kohn & Co., by Eph. Kohn	do	40
A. Solomon, by A. Solomon	73-75 West Houston street, New York	75
Cerf & Bros., by J. Cerf	56-58 West Twenty-second street, New York	75
The Lady Ware Co., by W. Simon	119 West Twenty-third street, New York	175
Ratner Bros., by Aaron Ratner	New York	300
Birkenfeld, Strauss & Co., by Henry M. Strauss	61-67 Wooster street, N. Y.	850
Cogswell & Boulter Co., by Geo. H. Jacobs	Newark, N. J.	500
Isaac & George Co., by Joseph J. George	Worcester, Mass.	75
S. Seder & Bro., by J. S. Seder	do	125
Worcester Muslin Underwear Co., D. Pabolinski & Sons, proprietors, by Luis Pabolinski	do	175
Green & Green Co., by Harry S. Green, treasurer	do	250
The Belle Waist Co., by Rich. W. Sawyer, president	Boston, Mass.	105
Myer Rosenfield, by G. L. Rosenfield	do	250
J. Gordon & Co., by J. Gordon, proprietor	19 Columbia street, Boston, Mass.	35
J. W. Frederick & Co., by S. P. Moorhouse	Boston, Mass.	200
Fairmount Manufacturing Co., by Wm. G. Nunn, treasurer	Hyde Park, Mass.	125
Standard Manufacturing Co., by Joseph P. Morse, treasurer	77 Bedford street, Boston, Mass.	500
Brown Durrell Co., by T. B. Fitzpatrick	Boston, Mass.	60
Whitall Manufacturing Co., by Albert L. Paul	Lowell, Mass.	250
Russ, Eveleth & Ingalls Co., by J. Frank Russ	Boston, Mass.	500
Kingston Bustle Co., by H. Solomon	do	25
Davis Frank & Co., by Davis Frank	do	150
Hub Wrapper Manufacturing Co., by H. Cohen	65 Essex street, Boston	75
Wm. H. Burns Co., by Wesley L. Kendall, treasurer	Worcester, Mass.	800
The Gillette Skirt Co., by N. H. Gillette, president	Cortland, N. Y.	75

Firm name.	Address.	Number of employees.
The Columbia Skirt Co., by N. H. Gillette, president.	395 Broadway, New York.	20
The New York Skirt Co., by H. R. Gillette.	Cortland, N. Y.	75
Wertheimer & Co., by Jos. Wertheimer.	Philadelphia, Pa.	145
Kaufman & Harris, by Louis Kaufman.	do.	400
Stynson Bros., by Louis Stynson.	do.	150
A. Rosenblatt & Son, by A. Rosenblatt.	do.	175
M. Frank & Co., by A. T. Frank.	do.	175
Julius Biron Co., by A. Biron.	do.	150
Kotlarsky Bros., by Sam'l Kotlarsky.	do.	250
Rosen Bros. by Joseph Rosen.	do.	150
I. Reinish & Son, by Jacob C. Reinish.	do.	200
Rand Bros. by Jacob Uhr.	do.	175
Gartenlaub & Rand, by I. Gartenlaub.	do.	100
Benj. Tuck & Son.	1304 Arch street	150
M. Busch.	Philadelphia.	300
H. C. Feld & Co., by Chas. Feld.	do.	150
Moldawer & Milgrim Co., by Wm. Moldawer.	do.	300
The Union Novelty Mfg. Co., by Louis Eichberg.	do.	100
Kaufman & Rubin, by Moses Faustmann.	Philadelphia.	400
Stone Bros. & Co., by Morris Stone.	do.	150
I. Brod & Co., by Israel Brod.	do.	250
Karpf & Weiner, by Louis Karpf.	do.	150
Lanio & Lareson, by N. Lanio.	do.	300
Richmond Underwear Co., by J. S. Baker, president.	Richmond, Vt.	300
Galland Brothers, by Geo. Galland, secretary.	Wilkes-Barre, Pa.	500
Dornheimer Bros.	New York	75
Baker Underwear Co., by Chas. Mitchell, vice-president.	Peekskill	400
Franklin Manufacturing Co., by Israel Franklin.		
Simon Stearns & Co.	New York	1,500
Whitehead & Asiel.	do.	140
D. E. Sichert Co.	do.	4,000
Isaac Hirsch & Son Co.	do.	150
Nat. Levy & Co.	do.	300
Bijou Waist Co.	New York City	600
Sol. Gross & Co., by D. L. Davis.	do.	750
Triangle Waist Co.	New York	2,500
Hamner & Kahary.	do.	300
S. Citron & Co.	do.	150
Hudson Valley Muslin Underwear Co., by W. H. Knapp, president.	Poughkeepsie, N. Y.	150
Chas. Sandberg & Bro., by A. Sandberg.	129-133 Wooster street, New York.	150
Lewis Bros., by Henry I. Lewis.	New York City.	400
D. Rosenberg & Co.	do.	450
Sam'l. M. Foster Co., by F. L. Toft, secretary and manager.	Fort Wayne, Ind.	275
Paragon Manufacturing Co., by M. C. Macdougall.	do.	
John Wiederhold & Co., by John Wiederhold.	Schenectady, N. Y.	250
Empire Mfg. Co., by Harry Goldstein.	New York.	150
Imperial Underwear Co., by Ely Crawford, treasurer.	Seranton, Pa.	
The C. C. Anderson Manufacturing Co., by W. J. Ford, assistant manager.	Fostoria, Ohio.	425
The Morgan Anderson Co., by J. C. Anderson, secretary.	Toledo, Ohio.	100
Perfection Shirt Waist Co., by C. F. Weiler, manager.	do.	300
The Daniels Co., by Wm. Cohen.	Cleveland, Ohio.	100
The Cheney Manufacturing Co., by Willis M. Cheney, president.	Portland, Me.	118
Edwards Manufacturing Co., by W. A. Edwards, president.	Clinton, Iowa.	65
The Emsheimer Fishel Co., by D. E. Emsheimer.	Cleveland, Ohio.	300
Weinberg, Mataick & Co., by Philip Weinberg.	33 West Seventeenth street, New York City.	150
George Lewis.	Chicago, Ill.	
Standard Manufacturing Co., by E. J. Ryerson, vice-president.	Jackson, and Grand Rapids, Mich.	650
Progress Manufacturing Co., by K. Benter, manager.	Jackson, Mich.	25
R. G. Valentine & Co., by R. G. Valentine.	do.	16
E. S. Bowman Co., by E. S. Bowman.	do.	110
Jackson Corset Co., by C. H. Tompkins, general manager.	do.	275
McGee Bros. Co., by A. M. McGee, secretary.	do.	100
Convent Corset Co., by J. J. Weeks.	do.	150
H. Silverman & Co., by H. Silverman.	Brooklyn, N. Y.	80
Arlington Underwear Co., by Wm. Guinzburg, president.	do.	60
H. Spozerman, by H. Spozerman.	New York, N. Y.	60
Crescent Underwear Co., by Louis Hollander.	do.	50
Neugass Bros., by William Neugass.	576 Broadway	100
The Gotham Waist Co. by Henry M. Rosenbaum, secretary.	430 Broome street.	40
Katz Underwear Co., by Leo Levy.	Honesdale, Pa.	150
Peerless Manufacturing Co., by F. W. Cutting, president.	Newport, N. H.	500

[Telegram.]

NEW YORK, *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS:

Please add to petition mailed yesterday Newbauer Brothers and E. Friedlander & Sons, San Francisco; Peerless Manufacturing Company, Newport; N. H. Katz Underwear Company, Honesdale, Pa.; H. Silverman & Co., Arlington Underwear Company, H. Spozerman, Crescent Underwear Company, Newgass Brothers, Gotham Waist Company, New York City, employing over 1,000 hands. Original signatures mailed.

NEWMARK BROS. & SALZMAN.

**LACE AND EMBROIDERY IMPORTERS' ASSOCIATION, NEW YORK,
FILES SUPPLEMENTAL BRIEF ASKING FOR REDUCTION OF
DUTY ON LACES AND EMBROIDERIES.**

NEW YORK CITY, *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We respectfully submit a brief on behalf of the Lace and Embroidery Importers' Association, of the city of New York, an association of 48 firms representing over 90 per cent of the importation of this class of articles at the port of New York.

On Monday, November 30, 1908, we submitted through our counsel some suggestions looking to a reduction of the tariff on these articles from 60 per cent (the rate now in force) to 50 per cent. We desire in this brief to supplement the suggestions then made and to furnish some further information on the subject, which we hope may be useful to the committee in its deliberations.

In presenting these matters we shall take up laces and embroideries separately, but it is proper to note at the outset that there are laces embroidered on the embroidery machine procured in Plauen, Saxony, St. Gall, Switzerland, and to a moderate though constantly increasing extent in Caudry, St. Quentin, and other villages in the north of France.

LACES.

Real or hand-made laces are the product of individual skill and the making of them is a distinct home industry, restricted to many small villages in various European countries, each having its own individuality as to the species, the style, and the quality of the lace made. This industry is the result of centuries of training and development; the women engaged in it are mostly peasants who work in the fields during the spring and summer and in the winter time are satisfied to earn from 15 to 25 cents per day making the most delicate laces.

The industry was on the point of dying out when a few years ago the governments of the various countries took hold of it, established training schools, and by various other devices made a successful effort to revive it.

Nothing like it exists in this country, nor can such an industry be established here, no matter to what exorbitant rate the duty may be raised. It is not a question of protecting a home industry, but every element is absent which goes toward establishing and fostering such an industry.

A high rate of duty on real handmade laces which are indeed luxuries works as much mischief in the way of smuggling as it does on high class jewelry and precious stones. A few yards of handmade lace, priceless in value can easily be concealed about the person or sewed to garments, brought in free as personal effects, and it is a well-known fact among importers and retailers that with the growth of European travel the sale of real laces over the counter has been steadily diminishing, notwithstanding the great prosperity up to within a year ago and the large use which real laces have found in the various creations of fashion.

Machine-made laces are a distinctly different article, and their general use in the manufacture of women's wearing apparel has made them an article of necessity in contrast to handmade laces, which are a luxury. By far the greater proportion, we should say almost three-fourths of the laces imported into this country, are the product of power looms, called "leaver's machines," and are manufactured in Nottingham and Calais, where they are procured by actual purchase at prices fixed by the manufacturers, including a profit, which varies according to whether the article is of staple character, such as Valenciennes, Torchons, and other cotton laces, or whether they are in the nature of a novelty, subject to rapid changes of fashion and therefore subject also to greater depreciation.

There are at the present time in the cities of Nottingham and Calais and the surrounding districts, at a conservative estimate, about 7,000 of these Leaver machines, as compared with an estimated total of about 200 in this country. These machines are manufactured almost exclusively in Nottingham (a small proportion also in Calais). They are not and can not be manufactured here, being covered by innumerable patents, and the secrets of their construction are most jealously guarded by less than half a dozen manufacturing concerns engaged in the building of these lace machines.

An up-to-date lace machine costs in Nottingham about £1,200, or \$6,000. With the cost of transportation, duty at 45 per cent, and expenses in putting it into operation its cost here is almost doubled. The estimated production of a lace machine of modern construction, making a medium quality of goods, is about \$20,000 per annum. It therefore requires considerable capital to establish a fair-sized factory in this country, and this, in addition to the almost total absence of skilled labor, and the difficulties encountered in the bleaching, dyeing, and finishing of such a delicate fabric as a lace has undoubtedly been the principal reason why under a highly protective tariff the industry has not made greater progress in this country. Furthermore, it is a well-known fact that the fashion has favored the use of machine-made lace only during the last ten years. The production of Valenciennes laces, one of the principal trimmings entering into the manufacture of women's wearing apparel, has increased enormously.

The statistics of the consular office in Calais, where these laces are chiefly manufactured, show an increase in the exportation to

this country alone to nearly \$18,000,000, as compared with about \$5,000,000 seven or eight years ago. A similar increase is shown in Nottingham. Hand in hand with this increased production came an enormous demand for machinery in foreign factories, so that the makers of lace machines for a number of years past could not supply the home demand. Constant improvements in the construction, and more particularly the increase in the size of the machines, resulting in almost doubling their capacity without any material increase in the cost of labor, have been in progress all this time, and have revolutionized the manufacture of machine-made laces.

Of the machines existing in this country at the present time, those of the antiquated size and construction are therefore severely handicapped and almost useless, while those of modern type and construction can and do produce goods which compete successfully with the imported goods and even undersell the latter, as will be shown by the exhibits herewith filed.

Now, as to the question why, notwithstanding their ability to undersell the foreign goods, the proportion of the goods manufactured in this country is not larger than it is, we respectfully submit that this is no argument in favor of the maintenance of the present rate of duty, for if 200 machines in the United States can undersell the product of the 7,000 machines in the foreign markets, how much more so will 2,000 machines be able to do it, once they are established in this country; and they will be established, whether the duty is reduced to 50 per cent or not, for the industry is growing and will continue to grow, irrespective of tariff.

As for the question of protection to home labor there is practically no difference between the wages earned by the operator in this country and by the operators in Nottingham and Calais.

Both are paid according to the work produced, and the twist hand or lace operator in Nottingham or Calais earns from \$15 to \$25 per week, working eight hours per day. The schedule of wages is exactly the same here as abroad, and it is a fact that the union of lace operators here is a branch of the Nottingham union.

Up to the present the manufacturers in this country have been engaged entirely in the making of imitations of imported patterns. They pay nothing for designing, drafting, and other incidental expenses incurred in the creation of new patterns, and they thus save a material element in the cost of production.

They take no risks of failure of a new style, but copy the goods after a large demand for them is established. These elements of cost which the foreign manufacturers have to pay for and on which as a part of his purchase price the importer pays a 60 per cent duty, will in a large measure explain why the exhibits submitted with this brief show such remarkable discrepancies between the prices of domestic manufacturers and the landing cost of the same identical pattern.

As to laces made on embroidery machines, the same are treated under the heading of embroideries.

EMBROIDERIES.

This class of goods is manufactured largely for export to the United States in St. Gall, Switzerland, and in Plauen, Saxony. Some of the higher grade of these goods, especially those embroidered

with silk, might properly be considered as luxuries, but the great bulk of the importations are articles which are in such general use by all classes of people, that while they might not be termed strict necessities, such as hosiery or cheap clothing, they can not, in the now commonly accepted use of the term, be considered as luxuries; for they are worn by all classes of people from the humblest to the most wealthy, the difference being simply one of grade. A moderate reduction of duties on these articles would so increase the volume of imports as to offset the decrease in rate and produce increased revenue, without, as will be presently shown, so injuring the domestic industry as to prevent its growth and development. The manufacturer who appeared before the committee (Mr. A. H. Kursheedt) advocated an increase in the duty to 75 per cent. In one part of his statement he seems to suggest this increase only on fine grades, but in another part he states "On cheaper goods there will certainly be a lowering of the prices." There is no question about that, that on the cheaper goods there would be a lowering of prices, because there would be more domestic competition. It would seem from this that he advocates an increase of 75 per cent on all grades of embroideries. This is a higher duty than has ever been levied on this class of goods, and it seems to us would undoubtedly tend to decrease the revenues besides increasing the cost of these articles to the consumer. The industry in this country is not sufficiently developed to supply the demand, nor is it likely to be so for a great many years to come, and a rate of duty so high will undoubtedly reduce the volume of imports and thereby decrease the revenues. It will be many years before the domestic manufacturer can be supplied with the machinery and the trained labor necessary to develop this industry.

Another manufacturer (Mr. A. P. Traber) representing, as he stated, the Lace and Embroidery Manufacturers' Association of the United States, suggested an increase of the duty on these articles to substantially from 80 to 100 per cent ad valorem. On a foreign pattern costing \$5.62 abroad he proposed to levy a specific duty of \$1.75 in addition to an ad valorem duty of 50 per cent. On a pattern costing \$3.97 abroad he proposed to add a specific duty of \$2.10 in addition to an ad valorem duty of 50 per cent. We do not see how such enormous increases in the duties on these articles can be justified, or how it can be supposed that their effect will be otherwise than to seriously curtail the importation of these articles, and in many cases to be practically prohibitory.

For the purpose of showing how the rates proposed in Mr. Traber's statement above referred to would apply to imported embroidery as compared with the corresponding article of domestic manufacture, we submit a calculation (Exhibit A) in which we have adopted their figures for the various items of manufacturing cost, except that we put the value of the cloth at 11 cents a yard instead of at 13½ cents, as they have done. The price they give for cloth is exorbitant, and the price we have submitted is a very liberal price for the quality of goods. We apply these figures to a sample of embroidery illustrated by Mr. W. A. Graham Clark's report to the Department of Commerce and Labor on Swiss embroidery and the lace industry. From this calculation it appears that the landed cost of this article under the existing rate of duty designated in the exhibit as

per schedule would be \$7.00. Under the rates of duty proposed by Mr. Traber it would be \$9.16. According to Mr. Traber's own figures as to items of cost, allowing the manufacturer 10 per cent for expenses, the cost of this article here, if imported yarn were used in its manufacture, would be \$7.69, while if domestic yarn, which is cheaper, were used it would be \$7.12, so that not only can the article be made here for prices lower than the same article can now be landed on the basis of the present duty, but the price at which they can be made here is from 20 to 25 per cent less than what it would cost to land them if the rates were made 50 per cent and one-fifth of a cent per hundred stitches, as suggested by Mr. Traber.

We also submit (Exhibit B) certain calculations of the relative cost in Switzerland and in the United States of the same pattern, taken from Mr. Clark's report, changing only two items of cost as to the domestic goods; namely, the cloth, which does not cost what they claim it does, and the yarn, which, if they use domestic yarn, is cheaper than foreign yarn.

Calculation No. 1 shows that if we adopt their own prices for labor here, allowing them $12\frac{1}{2}$ per cent for expenses, they can make these goods here for 14 cents less than the price at which the foreign goods could be landed at 50 per cent duty.

Calculation No. 2 is based not on the price they give for labor, but with an allowance to them of 100 per cent over the foreign cost of labor, and this shows that upon that basis they could make these goods here for \$1.22 less than the price at which the foreign goods could be landed at 50 per cent duty.

Calculation No. 3 is based on an allowance to them of 125 per cent over the cost of the labor in Switzerland, and this shows that on that basis they could make the goods here for 95 cents less than the price at which the foreign goods could be landed at 50 per cent duty.

We also submit, as Exhibit C, a table showing as to 12 different samples of ordinary staple goods; the amount of duties now paid on such goods under the existing 60 per cent duty; the amount which would have to be paid if the recommendation of the Lace Manufacturers' Association, as expressed by Mr. Traber, were adopted; and the equivalent ad valorem rate upon the St. Gall cost, which the compound duties proposed by Mr. Traber would involve. With the table we give the samples of the goods with the pattern numbers as given in the table. These figures show that on schiffle-cambric edgings the duties, according to the schedule proposed by Mr. Traber, would vary from 83 per cent minimum to 104 per cent maximum, and that edgings and insertings made on the regular Swiss embroidery machine, the rates would vary from 122 per cent minimum to 152 per cent maximum. Certainly no reason has been furnished by the Lace Manufacturers' Association or by anybody else for the supposition that these rates would not be prohibitory of importation and entail enormous decreases in the revenue.

It will be noted by an examination of the diagrams contained on pages 24 and 26 of Mr. Clark's report that the cost of stitching these goods constitutes considerably less than half of their value.

These goods are largely used as the raw material for manufactures of underwear and articles of wearing apparel in the United States. A reduction of the duty on the embroidery, which will

enable them to buy them cheaper, will enable them to sell their finished product cheaper to the consumer, and thus at the same time stimulate the demand for embroidery and embroidered wearing apparel.

Under the existing rate of duty the manufacturers in this country are underselling the imported goods to a substantial extent. In support of this proposition we submit Exhibit D, which contains a large number of letters from mercantile houses stating, in reply to inquiries, why they do not buy the imported goods.

As Exhibit E we submit a number of patterns showing the price at which certain imported laces and embroideries can be landed here duty paid, and the price at which corresponding articles are sold by the domestic manufacturer.

LACE AND EMBROIDERY IMPORTERS' ASSOCIATION,
RALPH MUSER, *President*.

EXHIBIT A.

FOREIGN CALCULATION.

[Calculation is based on the pattern shown in figure 4, on page 25, in the 1908 report of the special agent Mr. W. A. Graham Clark, of the Department of Commerce and Labor.]

Old schedule.

	Francs.
Cotton cloth.....	8. 00
Bleaching.....	2. 64
Stitching.....	11. 02
Boxes and cases.....	.20
Legalization.....	.01
Cutting out.....	.21
Making up.....	.36
5 per cent expenses.....	1. 11
8 per cent profit.....	1. 88
	<hr/>
Total.....	25. 43
Duty, 60 per cent.....	15. 26
Freight and insurance.....	.29
	<hr/>
	40. 98
	<hr/>
Equal to.....	\$7. 90

New schedule, as proposed by domestic manufacturers.

	Francs.
Elements of cost as above, including 8 per cent profit.....	25. 43
50 per cent duty.....	12. 71
Freight and insurance.....	.29
	<hr/>
	38. 43
	<hr/>
Equal to.....	\$7. 41
Additional duty, 6,474 stitches, at one-fifth cent per 100, on 13½ yards, equal to..	1. 75
	<hr/>
Total.....	9. 16

DOMESTIC CALCULATION.

Goods embroidered with imported yarn.

Cotton cloth (muslin) 2 x 6½ yards, 55 inches wide, at 11 cents per yard.....	\$1. 49
Bleaching, etc.....	. 41
Yarn, 26 ounces, at 7 cents per ounce, imported yarn.....	1. 82
Power, oil, etc.....	. 25
Stitcher, 6,474 stitches at 18 cents.....	1. 17
Overseer, shuttle filler, mender.....	1. 59
Cutting out and making up.....	. 26
	6. 99
Manufacturing expenses, 10 per cent.....	. 70
	7. 69

Goods embroidered with domestic yarn.

Cotton cloth (muslin) 2 x 6½ yards, 55 inches wide, at 11 cents per yard.....	\$1. 49
Bleaching, etc.....	. 41
Yarn, 26 ounces, at 5 cents per ounce, domestic yarn.....	1. 30
Power, oil, etc.....	. 25
Stitcher, 6,474 stitches at 18 cents.....	1. 17
Overseer, shuttle filler, mender.....	1. 59
Cutting out and making up.....	. 26
	6. 47
Manufacturing expenses, 10 per cent.....	. 65
	7. 12

EXHIBIT B.

SCHIFFLI MACHINE.

Calculation of staple embroideries.

Taking the figures in tariff hearings of November 30, 1908 (fig. 4), as a basis, the calculations are as follows:

Article.	Switzer- land.	United States.
Cotton cloth.....	\$1. 54	^a \$1. 49
Bleaching, etc.....	. 51	. 41
Power, oil, etc.....	. 25	. 25
Yarn.....	. 94	^b 1. 36
Boxes, case.....	. 04	.....
Freight and insurance.....	. 06	.....
Stitcher.....	. 50	1. 17
Overseer.....	. 19	. 56
Shuttle filler.....	. 13	. 28
Mender.....	. 13	. 75
Cutting out.....	. 04	. 18
Making up.....	. 07	. 08
	4. 40	6. 53
	^c . 22	^d . 82
8 per cent to make market value.....	4. 62	7. 35
	. 37	.....
50 per cent duty.....	4. 90	.....
	2. 50	.....
Total.....	7. 49	.....

^a Thirteen and one-half yards, at 11 cents.^b Twenty-six ounces domestic yarn, at 5¼ cents an ounce.^c Five per cent expense.^d Twelve and one-half per cent expense.

Taking the figures in tariff hearings of November 30, 1908 (fig. 4), as a basis and allowing for the work in the United States 125 per cent on stitching, for overseer, shuttle filler, cutting out, in excess of the Swiss figures, the calculation is as follows:

Article.	Switzer-land.	United States.
Cotton cloth.....	\$1.54	a \$1.49
Bleaching, etc.....	.51	.41
Power oil, etc.....	.25	.25
Yarn.....	.94	b 1.36
Boxes case.....	.04	.....
Freight and insurance.....	.06	.....
Stitcher.....	.50	c 1.12
Overseer.....	.19	c .43
Shuttle filler.....	.13	c .29
Mender.....	.13	c .29
Cutting out.....	.04	c .09
Making-up.....	.07	.08
	4.40	5.81
	d .22	e .73
	4.62	6.54
Eight per cent to make market value.....	.37	.....
	4.99	.....
Fifty per cent duty.....	2.50	.....
Total.....	7.49	.....

a Thirteen and one-half yards at 11 cents.

b Twenty-six ounces domestic yarn, at 5½ cents per ounce.

c Plus 125 per cent.

d Five per cent expense.

e Twelve and one-half per cent expense.

Taking the figures in tariff hearings of November 30, 1908 (fig. 4), as a basis, and allowing for the work in the United States 100 per cent for stitching, for overseer, shuttle filler, cutting out, in excess of the Swiss figures, the calculation is as follows:

Article.	Switzer-land.	United States.
Cotton cloth.....	\$0.54	a \$1.49
Bleaching, etc.....	.51	.41
Power, oil, etc.....	.25	.25
Yarn.....	.94	b 1.36
Boxes, cases.....	.04	.....
Freight and insurance.....	.06	.....
Stitcher.....	.50	c 1.00
Overseer.....	.19	c .38
Shuttle filler.....	.13	c .26
Mender.....	.13	c .26
Cutting out.....	.04	c .08
Making up.....	.07	.08
	4.40	5.57
	d .22	e .70
	4.62	6.27
8 per cent to make market value.....	.37	.....
	4.99	.....
50 per cent duty.....	2.50	.....
Total.....	7.49	.....

a Thirteen and one-half yards, at 11 cents.

b Twenty-six ounces domestic yarn, at 5½ cents an ounce.

c Plus 100 per cent.

d Five per cent expense.

e Twelve and one-half per cent expense.

EXHIBIT C.

Table showing comparative duties, as paid under present tariff of 60 per cent, and rates proposed by Mr. Traber.

SCHIFFLI CAMBRIC EDGINGS (STAPLE GOODS).

Number of pattern.	Stitches.	Price per aune in centimes.	Additions for profit and expenses.	Price per yard in American currency (St. Gall cost).	Amount of duty according to present tariff 60 per cent.	Amount of duty, as proposed by Mr. Traber, 50 per cent ad valorem plus one-fifth cent per 100 stitches, single count.	Per cent of duty on St. Gall cost if rates proposed were accepted.
			<i>Per cent.</i>				
977.....	79	4½	5 and 8....	\$0.80	\$0.48	\$0.72	90
986.....	144	10	do.....	1.71	1.03	1.33	77
1008.....	596	25½	do.....	4.35	2.61	4.55	104
1010.....	342	24½	do.....	4.16	2.50	3.45	83
1013.....	624	27½	do.....	4.65	2.79	4.81	103
1015.....	462	25½	do.....	4.39	2.63	4.04	92

EDGINGS AND INSERTIONS MADE ON THE REGULAR SWISS EMBROIDERING MACHINE (STAPLE GOODS).

M. of pattern.	Stitches.	Price per aune in centimes.	Additions for profit and expenses.	Price per yard in American currency (St. Gall cost).	Amount of duty according to present tariff, 60 per cent.	Amount of duty, as proposed by Mr. Traber, 50 per cent ad valorem plus one-fifth cent per 20 stitches or 1 cent per 100 stitches.	Per cent of duty on St. Gall cost if rates proposed were accepted.
			<i>Per cent.</i>				
976.....	59	4½	5 and 8....	\$0.81	\$0.49	\$0.99	122
995.....	262	16½	do.....	2.76	1.66	4.00	145
996.....	239	16½	do.....	2.85	1.71	3.81	134
1028.....	127	7½	do.....	1.31	0.79	1.92	146
1044.....	500	30	do.....	5.10	3.06	7.55	148
1150.....	911	52½	do.....	8.93	5.36	13.57	152

EXHIBIT D.

BIRKENFELD, STRAUSS & Co.,
MANUFACTURERS OF LADIES' MUSLIN
AND FLANNELETTE UNDERGARMENTS,

61, 63, 65, 67 Wooster Street, New York, November 24, 1908.

Messrs. LOEB & SCHOENFELD Co.,
New York City.

GENTLEMEN: Replying to your favor of recent date in re to domestic embroideries, beg to say that we are handling this class of merchandise owing to the fact that very much lower prices are quoted on this class of goods in comparison with Swiss production, together with more speedy deliveries on contracts.

We assume that your inquiry is based on the proposed change in tariff, and in our opinion the garment trade at large can only be benefited by a lower rate of duties on foreign goods.

Respectfully, yours,

BIRKENFELD, STRAUSS & Co.,
Per ABE. STRAUSS.

ROSEN BROTHERS,
MAKERS OF ARROW BRAND WAISTS,
31-33 East Tenth Street, New York, November 24, 1908.
Messrs. LOEB & SCHOENFELD Co.,
451 Broadway, N. Y.

GENTLEMEN: Replying to your inquiry of the 23d instant, regarding the purchase of domestic embroideries in preference to the imported, we wish to say that we find the former can be had at a more reasonable price. We trust that you will see that under such circumstances we are unable to use the imported goods.

Yours, respectfully,

ROSEN BROS.

KURZROK BROTHERS,
MAKERS OF TUXEDO WAISTS,
55 West Sixteenth Street, New York, November 24, 1908.
THE LOEB & SCHOENFELD Co.,
New York, N. Y.

GENTLEMEN: Replying to your letter of the 23d instant, regarding preference for domestic and imported embroideries, would state that owing to the quicker deliveries which we receive on domestic goods it is often advantageous to buy same here. Furthermore, on the lower grades, one can buy these goods in most instances for less money than imported goods can be made.

Very respectfully, yours,

KURZROK BROS.

R. GRUHN & Co.,
IMPORTERS OF EMBROIDERIES, LACES,
HANDKERCHIEFS, ETC.
457 Broadway, New York, November 24, 1908.

Messrs. LOEB & SCHOENFELD, *City*.

DEAR SIR: We are in receipt of your esteemed favor in which you ask us why our business with you has fallen off to such a great extent, and replying to the same we must inform you that we find domestic-made embroideries so much cheaper in comparison to the imported make that it is to our interest to purchase most of our goods in the home market. We notice that there is a difference of almost 25 per cent between the imported and the domestic make, and you therefore can not blame us for our actions.

Yours, truly,

R. GRUHN & Co.

GROSS & WEISS,
MANUFACTURERS OF LADIES' WAISTS
AND SHIRT-WAIST SUITS,
21-23 Waverly Place, New York, November 23, 1908.
Messrs. LOEB & SCHOENFELD.

GENTLEMEN: In reply to your favor of to-day's date, we wish to say that we have been and are still using both imported and domestic embroideries, but prefer to use the latter, since we find that the price on the domestic embroideries stands about 20 per cent less than the imported. This is the reason why we prefer to use the domestic goods.

Yours, very truly,

GROSS & WEISS.

D. E. SICHER & Co.,
105-113 Wooster Street, New York, November 23, 1908.

Messrs. LOEB & SCHOENFELD,
New York City.

GENTLEMEN: Answering your favor of November 21, we beg to express our opinion on domestic embroideries as follows:

We consider the imported article far superior in nearly every way, but from time to time we resort to the domestic goods, firstly because they are considerably cheaper in price, and secondly because we can depend upon deliveries in from three to four weeks.

Very truly, yours,

D. E. SICHER & Co

H. SHEVITZ,
MANUFACTURER OF LADIES' MUSLIN UNDERWEAR,
87 Walker Street, New York, November 23, 1908.

Messrs. LOEB & SCHOENFELD Co.

DEAR SIR: Replying to yours of the 21st instant, wish to say we use very little of the domestic embroideries, as they are too poorly made for us, but those we do use is on account of the difference of about 25 per cent (cheaper) in the price.

Yours, truly,

H. SHEVITZ.

NAT. LEVY & Co.,
LADIES' UNDERGARMENTS,
170 Fifth Avenue, New York, November 3, 1908.

LOEB & SCHOENFELD Co.,
453 Broadway, City.

GENTLEMEN: In answer to your communication received to-day, we beg to state that we use comparatively no domestic embroidery, although we find the imported about 25 per cent higher than that made in this country.

Very truly, yours,

NAT. LEVY & Co.

RELIANCE WAIST Co.,
MANUFACTURERS OF NOVELTIES IN LADIES' WAISTS,
175-177 Wooster Street, New York, November 23, 1908.

LOEB & SCHOENFELD Co., City.

GENTLEMEN: In reply to your letter of the 23d instant, in which you ask us to kindly let you know why we are buying domestic embroidery in preference to imported embroidery, beg to say we are buying the domestic stuff just about 20 per cent cheaper than the imported, and to be sure you wouldn't do otherwise had you the same opportunity.

Trusting this explains to you our decrease of import embroidery purchases, we remain,

Very truly, yours,

RELIANCE WAIST Co.,
Per DANIEL FREEMAN.

SPARROW & SMITH,
MANUFACTURERS OF LADIES' WHITE UNDERSKIRTS,
97-99 Prince street, New York, November 23, 1908.

MESSRS. LOEB & SCHOENFELD,
451 Broadway, City.

DEAR SIR: Replying to your letter of November 21, we would say that our only reason for buying domestic embroideries in preference to the imported is that the former is from 25 to 30 per cent cheaper. We do not pretend that we prefer them, but the price is the consideration. If you can make an appeal to us in that particular we would be glad to buy imported goods.

Very truly, yours,

SPARROW & SMITH.

NEW YORK MERCHANDISE COMPANY,
IMPORTERS AND JOBBERS IN GENERAL MERCHANDISE.
540 Broadway, New York, November 23, 1908.

LOEB & SCHOENFELD Co.,
451 Broadway, New York City.

GENTLEMEN: Replying to yours of the 20th, we wish to say that we can not use the lot of embroideries you offer us, because we can buy domestic goods of equal quality for 20 per cent less than your quotation.

Yours, very truly,

NEW YORK MERCHANDISE Co.

LOUIS FELD & Co.,
MAKERS OF NATIONAL BRAND LADIES' WAISTS,
Philadelphia, Pa., November 23, 1908.

MESSRS. LOEB & SCHOENFELD Co.,
451 Broadway, New York, N. Y.

GENTLEMEN: Replying to your communication of the 18th instant, we beg to state that the reason of our buying very few duplicates from you this season is that we can replace the majority of foreign Swiss patterns made in this country from at least 25 to 30 per cent lower and executed fully as good as the foreign patterns.

Yours, very truly,

LOUIS FELD & Co.

ARLINGTON UNDERWEAR Co.,
149, 151, 153 Wooster street, New York, November 23, 1908.
MESSRS. LOEB & SCHOENFELD Co.,
451-453 Broadway, City.

GENTLEMEN: Replying to your favor of even date, requesting us to advise you why we prefer to buy domestic embroideries in some instances, in preference to imported embroideries, will say our reason for so doing is that we can purchase the domestic at least 25 per cent cheaper.

Trusting this explanation is satisfactory, we are,

Truly, yours,

ARLINGTON UNDERWEAR Co.

KAPP MANUFACTURING Co.,
MUSLIN UNDERGARMENTS,
121 Prince street, New York, November 23, 1908.

LOEB & SCHOENFELD Co., City.

GENTLEMEN: In reply to your esteemed favor of the 21st instant, beg to state that we have bought up till now but very few domestic embroideries; whereas we are using very large quantities of imported embroideries.

We resort to the purchasing of domestic embroideries on rare occasions only, and the large difference in price between the imported and domestic is the only incentive for us to use domestic embroideries occasionally.

Very truly, yours,

KAPP MANUFACTURING Co.
EDWARD KAPP.

HARRIS BROS. & BARNETT,
MANUFACTURERS OF LADIES' WHITE SKIRTS,
134-136 Spring street, New York, November 23, 1908.

The LOEB & SCHOENFELD Co., City.

GENTLEMEN: Replying to yours of the 21st, we beg to say that while we prefer imported embroideries to domestic goods on account of their better finish, we are compelled to use them for the simple reason that they are much cheaper in some instances.

Yours, truly,

HARRIS BROS. & BARNETT.

OFFICE OF LEWIS BROS.,
MAKERS OF THE ADMIRABLE SHIRT WAIST
AND SHIRT-WAIST SUITS,
119-121 Prince street, New York, November 25, 1908.

LOEB & SCHOENFELD,
451 Broadway, New York City.

GENTLEMEN: In reply to your letter of the 24th, we beg to state that the reason we buy and use the domestic embroideries in preference to imported embroideries is that the price of the domestic embroideries is 20 per cent cheaper than the imported embroideries. Also we have to wait too long for the imported embroideries.

Respectfully, yours,

LEWIS BROS.

A. S. ISERSON,
MANUFACTURER OF LADIES' MUSLIN UNDERWEAR,
532-538 Broadway, New York, November 23, 1908.

Messrs. LOEB & SCHOENFELD Co.,
453 Broadway, City.

GENTLEMEN: In answer to yours of the 21st instant, would say I have never been a large user of domestic embroidery. The domestic embroideries are too poorly made, and the bleach and finish is not good enough for my use in general. In cases where I have used the domestic embroideries I have been very much disappointed in the same, even though the price was about 20 per cent cheaper than the imported embroideries.

Yours, very truly,

A. S. ISERSON.

KRUGMAN & PELTZ,
MAKERS OF THE STAR LADIES' SHIRT WAISTS,
133-135 Greene street, New York, November 23, 1908.

Messrs. LOEB & SCHOENFELD Co.,
451 Broadway, City.

GENTLEMEN: In answer to your inquiry we beg to advise you that we have been using domestic embroidery to a very large extent at a saving of 15 to 25 per cent from imported goods.

Respectfully, yours,

KRUGMAN & PELTZ.

NEWMARK BROS. & SALZMAN,
MANUFACTURERS OF LADIES' NIGHTGOWNS AND SKIRTS,
472 Broadway, New York, November 21, 1908.

Messrs. LOEB & SCHOENFELD Co., *City.*

GENTLEMEN: In answer to your letter of the 17th instant, in which you inquire the reason for our using domestic embroideries in quantities in preference to the imported embroideries, wish to state that we are forced to use the domestic embroideries because we find we can purchase the same at from 15 to 25 per cent cheaper than the imported. We would be only too pleased to use the imported instead of the domestic, as the finish and workmanship of the imported is far superior, but in the manufacturing of underwear it is a matter of price, due to the enormous competition in our line.

Yours, very truly,

NEWMARK BROS. & SALZMAN,
Per F. N.

THE UNION STAR Co.,
MANUFACTURERS OF LADIES' UNDERWEAR,
345-347 Grand Street, New York, November 28, 1908.

LEVI SONDEHEIMER & Co.,
514-516 Broadway, City.

GENTLEMEN: The reason our business with you has fallen off to such a large extent the past few seasons is that we are able to buy domestic goods much cheaper.

Again and again we have proven to your Mr. Jacob L. Cohen that we are able to buy the same goods exactly 15 per cent to 20 per cent cheaper from domestic manufacturers.

Yours, respectfully,

MILBERG BROS.

S. SCHLEIN, MAKER OF THE RELIANCE LADIES' WAISTS,
307 Market Street, Philadelphia, November 23, 1908.

Messrs. LOEB & SCHOENFELD Co.,
New York City.

GENTLEMEN: Replying to your letter of recent date inquiring why our business has been so small in volume in comparison to former seasons, we will be perfectly frank with you that the majority of Swiss goods we have purchased we find we can have copied in domestic to very much material advantage, in some instances from 25 to 35 per

cent. We herewith inclose you a few samples to show you as an illustration.

Regretting that we have not done more business with you this season, we are,

Yours, truly,

S. SCHLEIN.

SCHILLER BROS.,
 MANUFACTURERS OF LADIES' UNDERGARMENTS,
 134-136 Spring street, New York, November 28, 1908.

Messrs. LEVI, SONDEHEIMER & Co.,
 514 Broadway, City.

GENTLEMEN: Regarding your inquiry as to why our business with you has taken such a drop in the last year to year and a half, we wish to say that it is through no fault of you or your salesmen, but simply to the fact that we are buying domestic goods to a very large extent, said goods serving our purpose fully as well as the imported and costing us 15 to 25 per cent less.

All things being equal, we assure you we would more than favor you in preference to others.

Respectfully, yours,

SCHILLER BROS.

PEEKSKILL, November 27, 1908.

Messrs. LEVI, SONDEHEIMER & Co.,
 New York City.

GENTLEMEN: Answering your inquiry why our business with you has fallen off to such a large extent during recent years, we beg to say that we have been buying domestic made laces at prices which are from 15 to 25 per cent cheaper than your imported goods.

Yours, very truly,

BAKER UNDERWEAR Co.,
 CHAS. MITCHELL, Vice-President.

BIRKENFELD, STRAUSS & Co.,
 MANUFACTURERS OF LADIES' MUSLIN
 AND FLANNELETTE UNDERGARMENTS,

61, 63, 65, 67 Wooster street, New York, November 28, 1908.

Messrs. LEVI, SONDEHEIMER & Co.,
 New York City.

GENTLEMEN: Several days ago one of the members of your firm happened to meet one of our people and called his attention to the fact that we were not buying many goods from you at present, as our account formerly was very large with you.

In justice to your salesman who visits us we thought proper to advise you of the reason therefor. The class of goods which we formerly bought of you has come into the domestic market of American manufacture and are sold for so much less than the imported goods that we have been compelled to drop the imported goods of this class altogether and are buying from the domestic manufacturer.

Trusting this explanation is sufficient to satisfy you why our business is falling off, we are

Respectfully, yours,

BIRKENFELD, STRAUSS & Co.
 Per H. M. STRAUSS.

S. N. BECK & Co., MANUFACTURERS OF LADIES'
AND INFANTS' WEAR,

73 and 75 Wooster street, New York, November 28, 1908.

LEVI, SONDHEIMER & Co.,
514 Broadway, City.

GENTLEMEN: In regard to your inquiry as to why our business has fallen off with you during the last year, we wish to say that no one deploras the fact more than we; and it is only because we are buying large quantities of domestic lace at about 25 per cent less than the imported; these goods serving our purpose equally as well. Should you at any time decide to manufacture goods in this market, we assure you we will look at your line first.

Trusting we may be able to again do the volume of business with you as we have in the past, we are, with kindest regards,

Very sincerely, yours,

S. N. BECK & Co.

NELSON & LANDSBERG,

MAKERS OF LADIES' MUSLIN UNDERGARMENTS,

119-121 Wooster street, New York, November 28, 1908.

MESSRS. LEVI, SONDHEIMER & Co.,
514 Broadway, City.

DEAR SIRs: Your favor of the 25th instant to hand and contents noted.

We have also noticed the big falling off in our business with you, and though we feel very friendly toward you, we are compelled in protection to ourselves to buy domestic laces, which, as you know, are fully 25 per cent lower than the same class of goods you import.

It is for no other reason whatever that you are not doing the volume of business with us that you have done in past years, and we hope that conditions will be such in the future as to warrant our again favoring you.

Believe us to be in all sincerity,

Yours, to command,

NELSON & LANDSBERG.

HENRY COHEN & Co.,

MANUFACTURERS OF LADIES' SHIRT WAISTS,

116-118 Wooster street, New York, November 16, 1908.

MESSRS. LEVI, SONDHEIMER & Co.,
514 Broadway, City.

GENTLEMEN: In answer to your letter of the 14th, we beg to state that we feel very sorry that we can not do the business we have been doing with you in former years owing to the fact that we are buying a lot of domestic goods, which is certainly very much cheaper than your foreign goods—from 20 to 25 per cent.

We assure you could you meet these prices we would certainly give you the preference.

Yours, respectfully,

HENRY COHEN & Co.,
Per HENRY COHEN.

A. S. ISERSON,
MANUFACTURER OF LADIES' MUSLIN UNDERWEAR,
532-538 Broadway, New York, November 27, 1908.

Messrs. LEVI, SONDHEIMER & Co.,
514 Broadway, City.

GENTLEMEN: In answer to your inquiry why my business with your firm has fallen off so much in comparison with former years, I beg to say that this is not due to any diminution of my preference for you, but to the simple fact that I am buying most of the goods I need in business from domestic manufacturers who are underselling the imported goods by a margin varying from 15 to 25 per cent.

Yours, very truly,

A. S. ISERSON.

H. A. ROHTMAN,
WAISTS AND DRESSES,
102-4-6 Wooster street, New York, November 18, 1908.

LEVI, SONDHEIMER & Co.,
514 Broadway, City.

GENTLEMEN: In answer to your letter of the 16th instant, will say that the reason we have not been doing so much business with you of late is because we have been buying considerable domestic laces, and they are certainly underselling you from 15 to 20 per cent on the same designs.

It will afford us great pleasure to be able to do our business with you providing that your prices will equal the domestic market.

Yours, very truly,

H. A. ROHTMAN.

TUTELMAN BROS.,
MAKERS OF LADIES' WAISTS,
656 Broadway, New York, November 25, 1908.

The LOEB & SCHOENFELD Co.,
451-453 Broadway, City.

GENTLEMEN: Replying to your letter of November 23, asking us why we find it advantageous to use domestic embroideries, we wish to say that we use very little of that class of merchandise, and the only reason why we use same is on account of the price being lower than imported embroideries of the same character; and also for the reason that we can get much better deliveries, and we do not have to wait as long after we place orders for such merchandise.

We trust that this information will be satisfactory to you, and wish to remain,

Very truly, yours,

TUTELMAN BROS.

GOLDWATER BROS.,
 IMPORTERS LACES, EMBROIDERIES, VEILINGS,
 484 Broadway, New York, November 23, 1908.

MESSRS. LOEB & SCHOENFELD.

GENTLEMEN: In answer to your inquiry about the difference between imported and domestic embroideries, will say that we have bought several domestic patterns lately and compared pattern for pattern with the foreign make, and find that the domestic ranges from about 20 to 25 per cent cheaper than the imported goods.

Respectfully, yours,

GOLDWATER BROS.

THE BIJOU WAIST COMPANY,
 536-538 Broadway, New York, November 25, 1908.

MESSRS. LOEB & SCHOENFELD,
 451-453 Broadway, City.

GENTLEMEN: We are in receipt of your favor of the 24th instant, in which you ask us why we buy domestic embroideries in preference to imported. In reply, would say that we can buy the domestic embroidery from 15 to 20 per cent cheaper than the imported embroidery; that is our reason for giving the domestic embroideries the preference.

Yours, very truly,

BIJOU WAIST Co.

LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION OF
 UNITED STATES MAKES SUPPLEMENTAL STATEMENT.

NEW YORK, January 7, 1909.

HON. SERENO E. PAYNE,
 Committee on Ways and Means,
 Washington, D. C.

DEAR SIR: We are sending you by Adams Express, prepaid, some samples showing original designs of laces and embroideries manufactured here.

In relation to paragraph 339, Schedule J, of the present act, and corresponding paragraphs of previous acts, we submit some charts to prove the following facts:

First. That the Government can obtain more revenue through imposing higher rates of duty.

Second. That inadequate protection has forced many American houses to manufacture largely in Europe. (This latter condition would be impossible were it not that the cost of manufacturing these articles in this country is much greater than the import cost of the same articles.)

Third. The revenue from the cotton embroideries and embroidered laces during the year 1907 alone amounted to \$9,000,000.

We pay particular attention to the Schiffler embroidery, because that is the branch of the industry which has undergone enormous development within the last ten years.

A domestic manufacturer received an award at the Centennial Exhibition in 1876 for Schiffli embroidery, which was many years previous to the time that any American house owned, controlled, or engaged any machines in Switzerland.

It has been only the low rates of duty that have prevented the proper growth of the industry in the United States.

For details as to the rate of duty which we request and for the facts and figures in substantiation of our request, we respectfully refer you to our brief submitted by Mr. A. P. Traber on November 30, 1908.

We sincerely hope that you may give this matter your kind consideration.

Yours, respectfully,

LACE & EMBROIDERY MFRS. ASSN.,
Per A. H. KURSHEEDT.

EXHIBIT A.

Comparison between cost of Schiffli embroideries and value of importation.

	Cost.	Importation.
1904....		
1905....		
1906....		
1907....		

The above shows that while the cost increased, the imports increased.

A higher rate of duty will produce more revenue.

The domestic industry adapted embroideries to many new uses and thus helped to increase imports.

Comparative importations of cotton embroideries and goods classed with embroideries.

Year.	Rate of duty.	Value of importations.	Amount of duty for two successive years.	Rate of duty.
1889....	<i>Per cent.</i> 40	4,819,728		<i>Per cent.</i>
1890....	40	5,931,363	\$4,300,436	40
1892....	60	11,607,693		
1893....	60	12,813,997	14,653,013	60
1896....	50	10,945,596		
1897....	50	12,859,959	11,902,777	50
1900....	60	18,491,965		
1901....	60	19,449,010	22,764,585	60
1906....	60	33,677,354		
1907....	60	39,737,840	44,049,116	60

The above shows that reducing the rate of duty from 60 per cent to 50 per cent reduced the revenue and that imports increased under the 60 per cent rate.

Comparative increase of Schiffli embroidery machines in the United States and in Europe from 1878 to 1908.

	1878.	1908.
United States.....	■	■
Europe.....	■	■

Schiffli embroidery machines operated by American houses in 1908.

Machines in the United States.....	■
Machines owned by American houses and operated in Switzerland.....	■
Machines controlled and engaged by American houses in Switzerland....	■

This shows that Americans are forced to manufacture in Switzerland by present tariff rate.

**AMERICAN LACE OPERATIVES PASS RESOLUTIONS OBJECTING TO
ANY DECREASE OF DUTY ON LACE GOODS.**

2829 NORTH REESE STREET,
Philadelphia, Pa., January 7, 1909.

Mr. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I beg to advise you that the following resolution was unanimously adopted by the executive board of the Chartered Society of Amalgamated Lace Operatives of America:

Resolved, This society do hereby respectfully but earnestly protest against any reduction of the present tariff on lace goods of every description coming to this country.

In behalf of the board, I beg to remain,
Yours, very truly,

WM. BORLAND, *Secretary.*
THE CHARTERED SOCIETY OF AMALGAMATED
LACE OPERATIVES OF AMERICA.

**AMERICAN MANUFACTURERS OF LACE WINDOW CURTAINS WISH
PRESENT DUTIES RETAINED, PROVIDED THAT THE DUTIES ON
YARNS ARE UNCHANGED.**

34 NASSAU STREET,
New York City, January 7, 1909.

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

GENTLEMEN: We desire to present our views in regard to paragraph 340, relating to lace window curtains and other articles made on the Nottingham lace-curtain machine, and no other paragraphs which involve competitive articles and the materials of our industry.

We desire the retention of the existing duties in paragraph 340 and no modification of that paragraph, except the insertion of the words "curtain nets" after the word "curtains" in the first line. It was the intention to include nets in this paragraph when the tariff of 1897 was enacted, and they were omitted by an oversight.

We ask the retention of these rates upon the theory that no change is to be made in the rates now imposed on the yarns employed in making curtains. The existing schedule in regard to curtains was based upon careful study of the adjustment of the rates on different grades and on competitive articles in other schedules in a manner which has afforded a moderate degree of protection to the curtain industry and has permitted the creation of such an industry in this country with an annual production of \$10,000,000 to \$12,000,000 and the employment of some 6,000 skilled laborers. The industry practically dates from 1893, and has acquired its present magnitude only since 1897. Of 250 machines now in operation in Philadelphia upon lace curtains, 164 have been installed since 1897, in the belief that an equitable relation would be continued between the duties on curtains, on the yarns from which they are made, and on other competing foreign goods.

Before going fully into the arguments for maintaining the existing duty on curtains, it is proper to point out its relations to other items of the tariff. Arguments have been submitted to the committee in favor of reducing the duty on bobbinets from 60 per cent ad valorem to 20 per cent ad valorem. Such a reduction would materially reduce the revenue from this source, which is now considerable, and would, in addition, establish an injurious and probably destructive competition by bobbinets with Nottingham curtains. Bobbinets are imported in large quantities, even under the existing tariff, at very low prices, and curtains made from them are attractive at first because of cheapness, but have been losing vogue of late because they can not be easily laundered by ordinary domestic processes.

The contention that bobbinets can not be made in this country under the existing tariff we consider to be unfounded. Messrs. John Bromley & Sons already have twelve machines in operation upon this work, and plans are making by others for further equipment for the same purpose. To put the duty on bobbinets at less than 60 per cent ad valorem would check these measures to establish the industry in this country and would bring foreign bobbinets into a competition with lace curtains which would make the duties on the latter comparatively ineffective.

We are opposed to any further increase in the duty on fine yarns, because they are a most important element in the manufacture of Nottingham curtains. They are also a source of considerable revenue to the Treasury, the amount in 1908 for all cotton yarns having been \$1,026,830. The proposal submitted by one of the witnesses in favor of a higher duty on yarns would, in the case of number 60 yarns, which represent the largest volume of importations, represent an increase of exactly 100 per cent in existing duties. A single one of our firms paid between 1901 and 1908 the sum of \$406,016 in duties on yarns.

Even apart from the question of rates, it would be very injurious to American manufacturers of curtains to have the duty on foreign

yarns made prohibitory. The yarns made by American manufacturers have not proved uniform in quality. They are not always properly sized and finished; they vary in thickness and often clog the bobbins and cause serious difficulty in working.

The underlying reason for this defective quality of domestic yarns is the fact that the manufacturers do not run mills and machinery exclusively for the purpose of making these yarns. On the contrary, they shift the machinery to some other product when it is in demand at a good price. They do not exercise the careful and continuous supervision nor obtain the same degree of continuity in labor which is obtained in certain foreign mills which devote themselves exclusively to the making and finishing of these yarns.

From this irregularity of production in the American mills arises another serious danger to the American manufacturer of lace curtains. This is that he can not obtain yarns at all for carrying on his manufacture when the American yarn mills have orders for other products to be employed in other manufactures. Thus, with a higher duty on yarns, the American manufacturer of curtains might not only be compelled to pay a price which would drive him out of business under foreign competition, but at times he could not even obtain his materials at any price, and his machinery would lie idle while foreign goods were taking the place of his products in the American market.

The protection afforded to American manufacturers of curtains has not tended to raise the price of curtains to the consumer, but on the contrary has resulted in the organization of the trade in such a manner that cheap curtains are now within the reach of persons of small means and are more widely consumed than ever before in the history of the country. The fact that only small amounts of duty have been collected on lace curtains is deceptive if regarded as an indication of the direct effect of existing rates. Control of the American market by domestic manufacturers has been obtained, to a large degree, under existing duties, but the fact is due to the greater convenience of the domestic market for buyers, now that it is possible for such a market to exist. The convenience of the home market arises from the fact that buyers can obtain the patterns they want and the quantities they want. This they can not do so readily in England, because patterns can not be adapted to the American demand unless orders are received for more of one pattern than an American importer usually requires.

The chief benefit of the existing schedule of duties is its operation in safeguarding American manufacturers against the indirect competition of styles and qualities specially designed to take advantage of any weak point in tariff rates. For this reason, after careful consideration of the subject, we feel compelled to oppose a system of purely specific duties, because of the inequalities which would result in the ad valorem equivalents of the duties collected on different grades of goods falling under the same classification. Thus, curtains of 8 points to the inch, range in price from \$1.10 to \$2; of 10 points, from \$1.50 to \$3; and of 12 points, from \$2.25 to \$4.50. Obviously, a uniform specific duty upon each of these classes would afford twice the percentage of protection in the one case as in the other. The result would be that the foreign manufacturer would manufacture goods of

the highest grade under each classification in order to get the benefit of the lowest ad valorem rate.

So narrow is the dividing line between holding the trade which has been built up in America and losing it, that there is probably hardly a fabric made which could not be duplicated in foreign mills and laid down in New York duty paid at less cost than it is produced here. The difference at present is not great enough to persuade the foreign manufacturer to change his patterns to meet the American demand or to justify importers in seeking to break down the present methods of distribution of American manufactures, but a very slight change in favor of the foreign manufacturer would produce these results.

Briefs already submitted have set forth differences in labor costs between our products in this country and in Nottingham and Scotland. The wages of lace weavers have advanced probably 30 per cent during the last ten years. The pay rolls of our mills show the payment of wages which are not only 68½ per cent above the union rate in Nottingham, but are 164 to 327 per cent above the rate paid in similar mills in Scotland. Details, accompanied by affidavits from men who have recently worked in European mills and have come to this country, are given in the statements previously submitted to your committee by John Bromley & Sons, the Lehigh Manufacturing Company, Joseph H. Bromley, and the North American Lace Company, dated November 28, 1908, and December 4, 1908, to which we respectfully invite your attention.

We not only have no advantage in production or efficiency, man for man, loom for loom, but on the contrary the Scotch manufacturers exercise the right to run their machines one hundred and thirty-two hours per week, against our ninety-seven hours per week, thereby getting nearly one-third more production from the same number of machines. This is an important factor in competition, on account of the high cost of a lace-curtain machine in proportion to the value of its product.

Reviewing the status of the American manufacturer of lace curtains, therefore, it appears that the present duties are essential to the maintenance of the industry, in view of other provisions of the tariff laws and the conditions of foreign competition. The industry pays duties of approximately 50 per cent, amounting to a large sum annually, upon a large part of the yarns used, and it has already paid duties of 45 per cent upon the machinery used, which has to be imported from abroad. The industry in lace curtains competes with several other products and no changes can be made with equity in the existing schedule of duties without corresponding changes in other schedules which will leave unimpaired the competing power of American mills, their ability to distribute their product, and their ability to pay the scale of wages demanded by American labor.

Yours, very respectfully,

John Bromley Sons, Joseph H. Bromley; Wilkes-Barre Lace Manufacturing Company, Clarence Whitman, treasurer; Lehigh Manufacturing Company; North American Lace Company, Wm. L. Turner, president.

MILLS & GIBB, NEW YORK CITY, SUBMIT LETTERS RELATIVE
TO LACE CURTAINS AND BOBBINETS.

BROADWAY AND GRAND STREET,
New York, January 8, 1909.

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

GENTLEMEN: At the request of Mr. Walter Gibb, president of our company, I made several notes which he expected to use in case he was able to go to Washington. In the meantime, owing to illness in the family, he has not been able to go before your committee, and he suggested a day or two ago that I simply submit to your committee copies of the letters I addressed to him on the subject of curtains, nets, etc.

Hoping the same may be of some service to you in arranging your schedule, I am,

Respectfully, yours,

THOMAS H. WATSON,
Of MILLS & GIBB,
Manufacturers and Importers.

NEW YORK, *December 8, 1908.*

Mr. WALTER GIBB.

DEAR SIR: Referring to the article in the Carpet and Upholstery Trade Review of December 15, pages 108 to 110, I would point out that when the last tariff was made we arranged for Mr. John Gibb, who afterwards submitted the schedule to Colonel Tichenor, a table of specific duties arranged to make an average duty of 45 to 50 per cent on Nottingham curtains and nets. When the tariff went into effect at the request of one of the large domestic manufacturers there was added to this 20 per cent ad valorem, which made the duty average nearer 60 to 70 per cent instead of 45 to 50 per cent.

Regarding the four other manufacturers mentioned in the article, Messrs. John Bromley & Sons, Joseph H. Bromley, Lehigh Manufacturing Company, and North American Lace Company, beg to say that the above are all the Bromley family; in other words, Joseph H. Bromley. He has also absorbed the lace-curtain plant at Tariffville, Conn., and also the plant at Gouverneur, N. Y. The industry of Nottingham lace curtains is largely in the hands to-day of Joseph H. Bromley and his brothers. Through his method of operating, like the Standard Oil, he has practically vanquished every competitor. I sincerely hope that we may return to the purely specific duty, as given in paragraph 340 of the tariff schedule, without the 20 per cent ad valorem. The specific duties read as follows:

	Cents per square yard.		Cents per square yard.
5 point-----	1	13 point-----	5
6 point-----	1½	14 point-----	5½
7 point-----	2	15 point-----	6
8 point-----	2½	16 point-----	6½
9 point-----	3	17 point-----	7
10 point-----	3½	18 point-----	7½
11 point-----	4	19 point-----	8
12 point-----	4½	20 point-----	8½

I might mention that the present tariff is practically prohibitive on Nottingham lace curtains and curtain nets. As you will see by referring to the figures of the United States consul at Nottingham, exportations have dropped off since the last tariff went into effect something like 80 to 85 per cent. The figures I have just received from the American consul at Nottingham show the following:

Exportations for 1903, \$236,171; in 1907, \$78,104; for eleven months 1908, \$46,887.

This shows very plainly that if the United States Government wishes to raise revenue they can not do it by excessive duties. A maximum duty of 50 per cent, I think, should be enough to protect any article.

We hope that you will be able to do something to prevent us from being put entirely out of the import business, which we have been following so long.

The same would apply to St. Gall curtains. The exportations from St. Gall in 1895 were \$1,242,382; in 1907, \$931,679; estimated by American consul at St. Gall for 1908, \$346,447.

These are all the facts I have at present; however, I think they should be enough to convince anyone that the tariff on lace curtains and nets is a little too high. I believe that on many other lines of goods, if proper time was taken, we would be able to arrange a specific duty similar to the Nottingham schedule, which would give satisfaction and justice to all concerned.

Regarding the bobbinets, mosquito nets, etc., I believe a specific schedule could be easily arranged that would enable the Government to collect the full duty of 50 per cent and avoid any chance of undervaluation or fraud.

Yours, very truly,

T. H. WATSON.

P. S.—The duty asked for on bobbinets by T. J. Diamond, of Newburgh, N. Y., would range from 140 to 175 per cent.

T. H. WATSON.

NEW YORK, *December 8, 1908.*

MR. WALTER GIBB.

DEAR SIR: I might call your attention to the fact that previous to the introduction of the last tariff we imported a good many thousand dollars' worth of chenille curtains and table covers from Germany and Austria. In the tariff provision of 1897 chenille curtains and table covers were specially provided for at 50 per cent (customs administration act, section 316). This proved to be a prohibitive tariff, and since that time we have not been able to import any chenille curtains or table covers. It is safe to say that in the last few years there has been absolutely nothing imported in this class of goods by anyone.

If it is possible to put chenilles in the new tariff down to about 25 per cent, we might then be in a position to import a few goods and the Government might raise some revenue from this source, whereas at the present time they get nothing at all.

If you see fit to present this matter to the Ways and Means Committee, on my next trip to Europe I would be glad to take this matter up again and see what can be done in the way of putting this article on the market.

Yours, very truly,

T. H. WATSON.

NEW YORK, *December 9, 1908.*

Mr. WALTER GIBB.

DEAR SIR: Referring to our conversation on bobbinets, which are imported under the head of mosquito nets, bobbinets, bretonne nets, and washed blond nets, beg to say that from what I have heard from the different manufacturers there is a strong effort being made on the part of one or two domestic people to get an increase of tariff on this article.

The present duty of 60 per cent, which is governed by the United States consul at Nottingham on a basis of the number of holes, prices changing at different periods of the year, seems to me about as fair as anything we could get.

We have established quite a nice business here in the making of cheap lace curtains, goods ranging all the way from \$1 to \$5 per pair. If the duty is advanced on bobbinets, the result will be to throw this business entirely into the hands of one or two concerns who already monopolize probably 85 per cent of the entire American business. Any advance on bobbinets over the present schedule would probably put not only ourselves but a hundred other small manufacturers practically out of business.

You will therefore see that an advance would be a great injustice. A purely specific duty might be arranged on this article, and I would be glad to assist in arranging the same with any of the government officials.

Hoping you may be able to put this before the proper authorities, I remain,

Yours, very truly,

THOMAS H. WATSON.

THE AMERICAN LACE MANUFACTURING COMPANY, ELYRIA, OHIO, FILES STATEMENT RELATIVE TO FANCY LACE PRODUCTION IN THE UNITED STATES.

ELYRIA, OHIO, *January 16, 1909.*

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

GENTLEMEN: The slow development of that portion of the lace industry of the United States which demands fine cotton yarn as its basic raw material may be attributed to the three causes following, and named in order of their respective importance: Labor, tariff duty on raw material, cost of foreign-made machinery and apparatus.

That even under conditions which now govern, it can be made successfully, though at reduced profit, is evidenced by the fact that

there are now in operation nine plants making laces of medium and fine quality, the product of which finds a ready home-market, representing in the aggregate an investment of substantially \$3,000,000, and turning out an annual product of about the same amount. It is interesting to note that with but two exceptions these several plants have all been started within the past four years.

The report of W. A. Graham Clark, of the Department of Commerce and Labor, states that lace goods aggregating \$40,400,000 were sold in the United States for the year ended June 30, 1906. He estimates that of this amount the product made in the United States, including lace curtains, was in round numbers \$7,000,000, or a trifle less than 18 per cent, and further that the product of fancy laces amounted to substantially \$2,000,000, or 5 per cent.

This great discrepancy between lace curtains and fancy lace production is accounted for by the fact that lace curtains are manufactured almost entirely from raw material, or cotton yarns made in America, while fancy laces can only be made from imported yarns of fine quality not made at all in America, and on which there exists a high protective tariff.

It certainly is unfair and unjust that such discrimination should exist between branches of the same industry, when the possibilities of development of all branches would be the same were conditions the same governing the supply of raw materials.

Until such time, therefore, as American manufacturers of cotton yarns will supply the basic materials from their mills, none of which is now made in the United States, the tariff duty on fancy or high-class cotton yarns should be entirely removed, or made so small as to put no embargo on the extensive manufacture of fancy laces and the fullest development of a splendid industry in this country. It is safe to say that the finer counts of cotton yarns, such as are used in the manufacture of fancy laces, will never be made in America until a far greater demand is created than now exists through American lace manufacturing companies, hence no possible harm can arise to the cotton-yarn industry of the United States if the tariff duty on fancy cotton yarns is entirely eliminated.

The best evidence of the possibilities of development of the fancy lace industry in the United States is the fact that the lace curtain branch of this industry has reached amazing proportions since it was started in the United States, about twelve years ago. And this because it enjoyed the advantage of using American-made yarns on which no tariff tax attached, thus giving it an advantage of from 40 to 50 per cent on cost of raw materials.

The home market for fancy laces is far greater than that for lace curtains in the United States.

Labor.—Owing to the newness of the industry all skilled labor at present employed is of foreign birth, and it will naturally take a number of years to educate American workmen to a point where they can be substituted. Through this period of educational work the cost will naturally be enhanced and the product curtailed. However, the American workman when once educated will quickly outstrip his foreign brother and put the American producers to the forefront of lace industry of the world.

Attached hereto in Exhibit A we show comparative wage scale for productive and nonproductive labor which now governs in the United States and England. From this you will observe that the average cost of productive labor is 173 per cent and nonproductive labor 141 per cent higher here than in England. The wages paid in France and Switzerland are substantially the same as in England, hence like comparisons maintain.

Labor constitutes 52 per cent of the cost of completed product as now made in America, hence you can readily draw conclusions as to the extent labor would figure in the building up of a mammoth industry such as previously suggested.

Tariff duty on raw material.—The duty on finer grades of yarns varies from 19 to 54 cents per pound, and on those most used in fancy laces it will average about 40 per cent ad valorem. Ocean freight, insurance, etc., increases this to nearly 50 per cent laid down at the mill. With such an embargo as compared with the foreign manufacture the necessity for the elimination of tariff on raw materials is apparent. The cost of raw material is 40 per cent of that of completed product, and from this may be judged the enormity of the discrimination against this branch of America's lace industry.

Cost of foreign-made machinery and apparatus.—All lace-making machinery used in America is foreign made and on which there is a tariff duty of 45 per cent; with ocean freight and insurance added it approaches 50 per cent. With the growth of the industry the greater portion of machinery and appliances used and now imported will be made in America, and this will develop a great collateral industry, the benefits of which to labor will be immense. And this is as it should be.

Concluding, we beg to say that this infant industry can be developed into one of mature and full-fledged importance within a few years in America, if your honorable body will arrange such a schedule of tariff on both raw material and finished product as will favor the home laborer, by increasing his opportunities in a line of industry where skilled labor is of highest importance and high wages a sequence; that will effect no damage to cotton-yarn manufacturers in the United States on products which they manufacture, but eventually enable them to meet the demand for fine yarn coming from home users; that will encourage the building up of the lace-machinery industry to magnificent proportions; that will encourage capital to seek this field, because of the assurance that fair returns may be realized therefrom; and, finally, that will give opportunity and protection to American manufacturers in their endeavor to give American consumers an American-made product, and command the American market for their products against the invasion of foreign makers.

Respectfully submitted.

THE AMERICAN LACE MANUFACTURING COMPANY,
A. L. GARFORD, *President*.
R. N. ELY, *Secretary*.

EXHIBIT A.

	Wages, per week, in America.	Wages, per week, in England.
PRODUCTIVE LABOR.		
Drafting	\$40.00 to \$50.00	\$15.00 to \$20.00
Card punching	8.00 to 10.00	4.00 to 5.00
Slip winding	8.00	4.00 to 4.50
Warping	25.00	10.00
Beaming	10.00	4.00
Brass winding	12.00	6.00
Threading	6.00	2.50 to 3.00
Pressing	9.00	4.50 to 5.00
Jacking off	4.00 to 5.00	1.00 to 1.50
Twisthands (lace machine operators)	35.00 to 40.00	12.00 to 16.00
Mending	7.00	2.50 to 3.00
Bleaching:		
Expert	40.00	8.00 to 10.00
Helpers	10.00 to 12.00	6.00
Dressing:		
Expert	30.00	8.00 to 10.00
Helpers	5.00	2.50 to 3.00
Clipping	6.00	1.50 to 2.00
Drawing	6.00	1.50 to 2.00
Jenneying	6.00	1.50 to 2.00
Jenneying (carding lace)	7.00	2.00 to 2.50
Finishing	7.00	2.00 to 2.50
	271.00	99.00
NONPRODUCTIVE LABOR.		
Stock clerk	15.00 to 18.00	4.00 to 5.00
Shipping clerk	15.00	4.00 to 5.00
Machine fitters	18.00 to 20.00	10.00 to 12.00
Assistants	10.00 to 12.00	4.00 to 5.00
Engineer	18.00	8.00 to 9.00
Fireman	15.00	6.00 to 7.00
Watchman	12.00	5.00
Janitor	12.00	5.00
	111.00	46.00

By the above it will be seen that using the minimum figures on both sides that the productive labor in America costs 173 per cent and the nonproductive labor 141 per cent more than it does in England.

SUPPLEMENTAL BRIEF SUBMITTED BY A. H. KURSHEEDT, PRESIDENT LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION OF THE UNITED STATES.

NEW YORK CITY, *January 29, 1909.*

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

DEAR SIRS: We respectfully submit this brief on behalf of the Lace and Embroidery Manufacturers' Association of the United States, in answer to the supplemental brief and exhibits of the Lace and Embroidery Importers' Association, of December 15, 1908, and covering some of their calculations.

We refer in the first place to statements made by the Lace and Embroidery Importers' Association relative to the cost of the cloth:

We submit a calculation (Exhibit A), in which we have adopted their figures for the various items of manufacturing cost, except that we put the value of the cloth at 11 cents a yard instead of 13½ cents as they have done. The price they give for the cloth is exorbitant, and the price we have submitted is a very liberal price for the quality of goods.

The cloth in question is described by W. A. Graham Clark, special agent, as follows: Width, 55 inches; count, 22 by 24; weight, 13½ yards to 1.67 pounds, which equals 8 yards to the pound. We have obtained prices from a number of cotton cloth brokers on the above-mentioned cloth, and the lowest quotations are 14½ cents from the Grinnell mills, also from the Pierce Manufacturing Company. Our calculation was based on a cost of 13½ cents being less than the actual value instead of being exorbitant, as claimed in the brief referred to.

We furthermore call your attention to the fact that in their foreign calculation (Exhibit A) they calculate the cloth at about 11½ cents a yard, or more than they allow in the domestic calculation, and in Exhibit B, they calculate the cloth at \$1.54 in Switzerland, and \$1.49 in the United States. We think such a gross misstatement should not have been made. Anyone who has bought foreign cloths knows that cotton cloths made of fine yarns have always been much dearer in the United States than in Europe.

We also call your special attention to the fact that in their so-called domestic calculation (Exhibit A) they allow to the manufacturer only 10 per cent for manufacturing expenses, whereas we find on close investigation that it would be at least double that percentage upon the variety of cotton embroideries of the class covered by the paragraph submitted. In the foreign calculation they include a profit of 8 per cent, but they add nothing for profit in the domestic calculation; they compare the foreign calculation, including a profit, with the domestic calculation, omitting a profit.

On the better class of embroideries a profit of 25 per cent would be very reasonable. Special Agent W. A. Graham Clark allows a profit of 25 per cent. Holding them to their profit as they claim it to be, and upon which they pay duty, and allowing us a reasonable profit and reasonable expenses, the difference between the import cost and the domestic cost would be greater than is shown in our original calculations. There are serious inaccuracies in every one of their comparisons.

As regards their other arguments there are none which are tenable, and should your honorable committee find anything therein that appears reasonable we should be pleased to have an opportunity of explaining what we consider to be a correct view, and expect to show to your entire satisfaction that their conclusions are not correct and can not stand an impartial investigation.

It is necessary that a compound duty should be assessed on embroideries and embroidered laces, in order that the rate of duty on the cheap and the fine goods will be properly proportioned. A simple ad valorem duty sufficiently high to protect fine goods would be prohibitory on the cheaper goods.

Respectfully submitted.

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

FLAX AND EMBROIDERED ARTICLES.

[Paragraph 339 and 346.]

M. H. FRANK & CO., NEW YORK CITY, RECOMMEND ADOPTION OF SPECIFIC IN PLACE OF AD VALOREM DUTIES.

NEW YORK, *December 14, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: As it was impossible for me to appear before your honorable committee on the revision of the tariff pertaining to the different articles which we import, I respectfully submit to you herewith the following as the expression of my opinion on the articles which come under the head of flax and embroidered articles. It is proper, I should state, that I have had an experience covering over twenty years in manufacturing goods of this general description in Europe and Japan and in importing same into the United States, and am therefore familiar with details of costs of materials, labor, manufacturing processes, etc.

For the past twenty years or more, under the ad valorem system of tariff taxation, hardly a week has passed by but there have been some reappraisements affecting the articles in question, besides all kinds of protests as to classifications, and at present there are many suits still pending waiting the decision of the higher courts, owing to the bungling manner in which the appraisers have decided the classifications of "drawn-work" articles. Taking valuation into consideration, this class of business has much to contend with, owing to the class of people who are engaged in this trade. While there are many high-class reputable importers in this line, there are many more aliens and undesirable citizens who think nothing of undervaluing, using all sorts of means and different ports to enter their goods, relying upon the ignorance of appraisers in ports outside of New York to pass their undervalued goods. The article itself being so difficult to judge, and so few appraisers having an idea of the value of the same, makes it easy to bring them in as aforesaid. My suggestion, therefore, for a remedy would be to study out a specific duty, classifying these articles by themselves, and not mixing them with kindred articles. This may seem difficult to you, but I feel quite sure if the Government would appoint a commission of reliable merchants in conjunction with the examiner at the United States public stores in New York they could find a way of regulating these articles so that it would be impossible to undervalue them, and thereby avoid all reappraisements and questions as to proper classifications and other annoyances which every honest importer seeks to avoid.

The articles which we import, and to which this brief relates, consist chiefly of flax and cotton renaissance lace and drawn-work articles, such as bed sets, pillow shams, doilies, table covers, etc., and not being specifically provided for in the present tariff are variously classified, part as imitation lace or embroidered articles at 60 per cent ad valorem under paragraph 339 and part as "flax woven fabrics weighing less than $4\frac{1}{2}$ ounces to the square yard and containing over 100 threads per square inch," under the last clause of paragraph 346, come in at 35 per cent ad valorem and on cotton at 25 per cent ad

valorem. As paragraph 340 provides specific duties on Nottingham lace articles, such as pillow shams, bed sets, etc., I suggest that a new paragraph be embodied in your new tariff, following paragraph 340, and providing specific duties for drawn work and renaissance lace or embroidered articles, composed in whole or part of flax, cotton, or other vegetable fiber. Such a provision should do away with disputes as to proper classifications and would prevent undervaluations. Such Secretaries of the Treasury as we have had in the past—Fairchild, Manning, and, I believe, even Cortelyou—have all favored specific duties where practical, and I feel assured that no honest importer could possibly file an objection to same. The only class of importers that would favor a very high ad valorem rate pure and simple would be unscrupulous adventurous aliens who had established themselves here temporarily for the purpose of “doing the Government,” or some crafty manufacturer who hoped to secure undue advantages therefrom.

As the law stands now, an importer caught undervaluing is simply put under a penalty by having his goods advanced, and if they come under a seizure clause they are generally sold at public auction and the culprit, having the advantage of knowing what the seized articles are, generally buys them in at a ridiculous price. The law should be framed so that an importer when actually caught undervaluing or otherwise attempting to defraud the Government by misstating weights, etc., could be properly prosecuted and the merchandise seized and destroyed. This would soon put a stop to all that sort of business. There have been few cases in my recollection when these swindlers have been caught that they have ever been punished severely enough to make it an object lesson.

I also notice that an association calling themselves The American Travelers' League are trying to have the present law, paragraph 697, changed so as to allow tourists returning from abroad to bring in \$500 worth of purchased articles free. If this paragraph 697 ruling was changed, it would mean a great injustice to the importer as well as to the majority of citizens who are obliged to remain at home. It would also lead to leaving the way open for the importers who send many buyers to Europe to bring in a large amount of merchandise “duty free.” Anyone being able to take a foreign trip for health or pleasure should be able to pay duty on his or her imports. As the law now stands I could easily prove that it is flagrantly abused. No concession should be given to these “would-be loyal Americans” who ask for something they are not entitled to. If any change is to be made, no one should be allowed to bring in anything except their personal effects of domestic origin without paying duty on same. There certainly seems to be no good reason why the wealthier or “traveling class” should be favored in this manner by sanction of the Government and to the detriment of business of honest importers who are obliged to pay heavy duties on the kind of goods exempted from duty by paragraph 697 for the benefit of travelers and smugglers. It is estimated, I believe, that something like \$100,000,000 is spent abroad by American travelers each season. Their purchases probably amount to at least \$20,000,000, the duty on which, if honestly collected, should be about \$10,000,000. For the sake of the honest importer, the domestic producer, and the government revenues no such unfair discriminations in favor of the wealthier class should find a place in our tariff.

Should your honorable committee desire to take advantage of my suggestions, I think you would find no difficulty in obtaining the cooperation of importers in high standing to assist the government appraisers and examiners of this port in studying out a specific duty which would be equitable to all concerned.

Yours, respectfully,

M. H. FRANK & Co.,
Manufacturers and Importers of Embroidered Linens.

BURLAPS AND BAGS.

[Paragraphs 341 and 343.]

THE CALIFORNIA COTTON MILLS COMPANY, OAKLAND, CAL., SUGGESTS NEW CLASSIFICATION FOR JUTE BURLAPS.

OAKLAND, CAL., *November 18, 1908.*

HON. JAMES C. NEEDHAM, M. C.,
Washington, D. C.

DEAR SIR: We are greatly interested in the question of tariff revision which is now before the Ways and Means Committee of the House of Representatives. As you are a member of that committee and one whom we know to be interested in all Pacific coast industries, at the suggestion of Congressman Knowland, we take the liberty of addressing you on the matter of tariffs on jute, hemp, and flax, and manufactures thereof, covered by Schedule J of the Dingley tariff law.

We are large manufacturers of jute burlaps—the ordinary burlaps and also the finer grades used for fruit bagging, seed bagging, and tarpauling; also twilled sacking and other jute fabrics. As manufacturers of these articles we find that the rates specified in the Dingley tariff are not affording us sufficient protection, and to enable us to compete with the cheap imported goods which are brought in from British India, Great Britain, and Germany, and pay living wages to our help, we ought to have the old McKinley rates restored on the articles in question.

The greatest competition on burlaps and jute goods comes from India, where men work at 20 annas per day at weaving, as compared with the wages of \$1.50 per day that we pay to our weavers for doing the same kind of work, so that we pay six to eight times the wages based on the same number of hours per day.

We would suggest that, to give proper protection to the industry in which we are engaged, the following changes should be made in the schedule, viz:

In Schedule J, paragraph 328, the duty on single jute yarns not finer than 5 lea or number, should be increased to 1 cent per pound and 20 per cent ad valorem, and on jute yarns finer than 5 lea or number the duty should be increased to 45 per cent.

Paragraph 329: The tariff on cables and cordage, composed of istle, tampico fiber, manila, sisal grass or sunn, or a mixture of these or any of them should be increased to 2 cents per pound.

Paragraph 341: The first part of this paragraph covers plain woven jute fabrics, not exceeding 60 inches in width, weighing not less than 6 ounces per yard and not exceeding 30 threads per square inch, counting warp and filling. The duty on goods covered by this clause should be increased to 1 cent per pound and 25 per cent ad valorem.

Paragraph 343: The rate of duty in this paragraph should be changed so as to read "1 cent per pound and 25 per cent ad valorem."

We inclose you herewith a table showing the present rates of tariff on the articles in question, and opposite them the rates which are necessary to afford proper protection, and which we hope you can have inserted in the new tariff bill.

The rate of wages which we have mentioned for weavers here is the rate paid to women, as we employ all female weavers in our factory, while the India rate mentioned is for male labor. So from this you will see that we pay six times as much here to women as men are paid for the same class of work in India. The wages paid to machinists, engineers, firemen, packers, teamsters, and all other kinds of labor here are proportionately higher than in India.

The competition by foreign imports of these articles is so keen that it is impossible under the present tariff rates to increase the manufacture of these goods in this country. We trust therefore that you will use every effort to have tariff rates on the above articles so adjusted as to give us a fair protection, to enable us to pay a fair rate of wages and extend our business on these lines.

Should you wish any additional information which is at our disposal, we shall be pleased to communicate same to you.

Yours, sincerely,

CALIFORNIA COTTON MILLS COMPANY,
Per Wm. Rutherford, *Superintendent.*

EXHIBIT A.

Article.	Present tariff, Schedule J.		Rates necessary to afford proper protection.	
	Per pound.	Ad valorem.	Per pound.	Ad valorem.
328. Single yarns made of jute, not finer than 5 lea or number.....	<i>Cent.</i> 1	<i>Percent.</i> 10	<i>Cents.</i> 1	<i>Percent.</i> 20
Finer than 5 lea or number.....		35		45
329. Cables and cordage, composed of istle, tampico fiber, manilla, sisal grass or sunn, or a mixture of these or any of them.....	1		2	
341. Plain woven fabrics of single jute yarns, by whatever name known, not exceeding 60 inches in width, weighing not less than 6 ounces per square yard and not exceeding 30 threads to the square inch, counting the warp and filling.....	½	15	1	25
343. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, and not exceeding 30 threads to the square inch, counting the warp and filling.....	½	15	1	25
347. (Satisfactory to us).....		45		

THE COLUMBIAN ROPE COMPANY, AUBURN, N. Y., RECOMMENDS
AN INCREASE IN DUTY ON BURLAP.

AUBURN, N. Y., *November 19, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: Noting that your committee will on the 30th instant consider Schedule J of the present tariff act, we desire to file notice of our intention to later submit facts, with a view to justify a review of the above-named paragraphs, especially in their relation to manufacture of jute.

Paragraphs 341 and 347, woven (jute) fabrics; burlaps: This merchandise is all imported. The present rates of duty are, according to width, weight, and number of threads to the square inch, either five-eighths cent or seven-eighths cent per pound and 15 per cent ad valorem, and not specially provided for 45 per cent ad valorem.

The present equivalent ad valorem rate of the two grades of burlap, now assessed five-eighths cent and 15 per cent and seven-eighths cent and 15 per cent per pound, are, respectively, 22.91 and 22.17 per cent, based upon the imports for consumption of 1907, as shown in the following table:

Burlaps.

(Report on commerce and navigation, 1907.)

Grade.	Rate.	Quantity.	Value.	Duties.	Value per unit of quantity.	Ad valorem rate of duty.
		<i>Pounds.</i>				<i>Per cent.</i>
30 inches, 6 ounces, 30 threads to square inch.	$\frac{3}{4}$ cent per pound and 15 per cent ad valorem.	316,622,921	\$25,006,101	\$5,729,808	\$0.079	22.91
Between 30 and 55 threads to square inch.	$\frac{7}{8}$ cent per pound and 15 per cent ad valorem.	6,342,854	774,251	171,637	.122	22.17
All other, not specially provided for.	45 per cent.....	29,911,701	3,042,277	1,369,024	.102	.45

The rate of duty assessed on the yarn before it is woven into cloth is, yarn not under 5-lea, 22.12 per cent, and finer than 5-lea, 35 per cent. A very large increase has been made in the amount of jute spun, but no increase has resulted in the weaving of burlaps; in fact, practically none are made in this country, although, as shown by the above figures, they are imported to the value of \$28,000,000.

If the duty on the woven goods was increased so as to give protection to the labor operation of weaving it would give a very great impetus to the growing industry of jute manufacturing. At the present time the duty on burlaps is a revenue producer, but it has not led to any development of manufacturing. A slight additional duty would result at first in a larger revenue and eventually in the creation of a very large industry.

In brief, what has been done in this country in tin plates, silk, glass, and numerous other manufactures can, under our protective system, be accomplished, in time, respecting burlaps.

It will be claimed that burlaps are the raw material for the bag industry. Any article which may claim the privileges of a raw ma-

terial should require a reasonable amount of work expended on it to make it a finished article. The labor required to make the burlap for a bag is about 2 cents. The labor to sew a bag is two-tenths of a cent. Hence, for every dollar paid out for sewing bags \$10 would also be paid to American labor if the burlaps were of domestic manufacture.

At all times the difference in cost between cotton bags and jute bags and cheap cotton cloths and burlap is very small. Any increase in the burlap duty would at once make a market for cheap cotton cloth, thus enabling the cotton mills to employ more people and use large quantities of low-grade cotton, greatly to the benefit of the cotton farmer.

The undersigned are not asking for an increase of duty to add to profits, or even protection for an established industry. They are simply pointing out to your committee the possibilities of establishing in the United States a large and desirable industry which is in their direct line of manufacture and which they would like to enter into did they but receive sufficient protection against the low-paid labor of Calcutta, now the great center of the burlap manufacture.

Very respectfully,

COLUMBIAN ROPE COMPANY,
By EDWIN D. METCALF, *President*.

**LETTERS ARE FILED BY HON. J. W. FORDNEY, M. C., ASKING FOR
A SPECIFIC DUTY ON JUTE CLOTH OR BURLAP.**

DETROIT, MICH., U. S. A., *November 27, 1908.*

HON. JOSEPH W. FORDNEY, M. C.,
Washington, D. C.

DEAR SIR: In the consideration of the tariff, in its relation to jute and the manufacture of jute, at the session of the Ways and Means Committee which convenes in Washington November 30, I beg to call your attention to the petition of the bag manufacturers, praying for relief from the unjust and uncertain ad valorem duty imposed on their goods.

There appears to be much to justify some measure of relief, and I trust you will give the matter as careful consideration as you feel it deserves.

Very truly, yours,

F. K. STEARNS.

DETROIT, MICH., *November 25, 1908.*

HON. JOSEPH W. FORDNEY, M. C.
House of Representatives, Washington, D. C.

DEAR SIR: I understand that a petition is about to be presented to the Ways and Means Committee of the House from the bag manufacturers of the country in reference to readjustment of the duty now imposed upon jute cloth or burlap. There is no question but that the present ad valorem duty works great hardship upon the manufacturers using this material, and that a specific duty would be much fairer and equally efficacious for the accomplishment of the purposes of the act. It would be a personal favor if, when this peti-

tion is presented to the committee, you will give the matter of it your attention, and if the petition seems just that you will do what you can to have the present tariff therefor modified in accordance with the request of the petition.

Thanking you in advance for your kind attention to the matter, I am,

Yours, very truly,

BRYANT WALKER.

DETROIT BOARD OF COMMERCE,
November 27, 1908.

HON. J. W. FORDNEY,
House of Representatives, Washington, D. C.

DEAR SIR: Members of this board who are large users of jute cloth represent that the present method of imposing duty on that article is a source of constant worry and uncertainty to them. The duty is five-eighths of a cent per pound, and in addition to this an ad valorem duty of 15 per cent. If they buy goods, say, at 3 cents per yard, and the price in Calcutta advances before the goods are shipped, they are penalized in the amount of duty on the increased value, though they may have sold against contract all of the goods in question. If, on the other hand, the price declines after a purchase is made, they are obliged to pay duty on the original cost.

There are a number of other ways in which the ad valorem duty is an annoyance and a cause of loss. They suggest that if the specific duty was increased a reasonable amount and the ad valorem duty abrogated, the return to the Government would be about the same and the uncertainty to the manufacturers would be removed.

We recognize the difficulty of adjusting the details of a tariff schedule, but respectfully request that as a member of the Ways and Means Committee having this subject under discussion you give fair consideration to the complaints and suggestions of these manufacturers.

Yours, truly,

CHAS. B. SAWYER, *Secretary.*

DETROIT, MICH., *November 27, 1908.*

HON. JOSEPH W. FORDNEY,
Washington, D. C.

DEAR SIR: KNOWING you to be a member of the Ways and Means Committee, which I understand is about to consider the tariff affecting jute and manufacturers of jute, and being interested in the growth of Michigan industries, I beg to call your attention to the petition that is to be presented to your committee by the bag manufacturers, and I hope that it will receive favorable action by your committee.

It does seem that the present method of figuring duty on jute is unfair to the importers, and if a change can be brought about, so as to eliminate the uncertain features now connected with the calculation of this duty, it will be much more fair to the United States manufacturers, who consume such an enormous amount of this material.

Trusting that you will use your good influence to correct this illegitimate penalty, believe me,

Yours, very sincerely,

A. E. STEWART.

DETROIT, MICH., *November 25, 1908.*

HON. JOSEPH W. FORDNEY,
House of Representatives, Washington, D. C.

MY DEAR MR. FORDNEY: My attention has been called by some of the local bag manufacturers to a petition that has been filed with the Ways and Means Committee asking for a change in the method of fixing duties on the material which they import in their business. At present there is a specific and an ad valorem duty, both.

My experience as collector at this port, together with information received from my special deputy, who has been in the office for upward of twenty years, leads me to believe that wherever possible duties should be fixed on a specific basis, and I take pleasure in calling your attention to their request.

Sincerely, yours,

JOHN B. WHELAN,
Collector of Customs.

MICHIGAN ALKALI COMPANY,
Detroit, Mich., November 25, 1908.

HON. JOSEPH W. FORDNEY,
Washington, D. C.

DEAR SIR: We understand that the bag manufacturers will present to the Ways and Means Committee a petition requesting that the duty on burlaps be changed to a specific duty of 1 cent per pound, which would be about the equivalent of the present duty.

We believe that this change would be a very good thing both for the manufacturers and consumers of burlap, as the present ad valorem duty is very unsatisfactory. Being one of the largest consumers of this class of goods in the country, we are somewhat interested in this matter and would respectfully urge favorable action on the petition.

Very truly, yours,

E. L. FORD,
Secretary and Treasurer.

DETROIT, MICH., *November 25, 1908.*

HON. JOSEPH W. FORDNEY,
Washington, D. C.

DEAR SIR: We are very much interested in the matter of jute for bags. We use from 15 to 20 carloads of jute cloth for bagging, therefore feel that the ad valorem duty of 15 per cent should be discontinued on account of the difficulty of properly imposing this duty on account of the variability of the market price of burlap cloth in Calcutta.

We by all means urge that your committee recommend a specific duty of 1 cent per pound, which would be about equivalent to the present duty, which would make it much more safe and more simple and result to the Government the same amount of income. This change would be of great assistance to all those connected with the importation and use of jute cloth in the United States, and we trust you will see your way clear to recommend this change.

Yours, very truly,

THE COMMERCIAL MILLING Co.,
R. HENKEL, *President.*

DETROIT, MICH., *November 25, 1908.*

HON. JOSEPH W. FORDNEY,
Congressman, Washington, D. C.

MY DEAR SIR: For some time I have been familiar with the desires of the bag manufacturers of Michigan regarding the duty on jute cloth or burlap, as it to-day works a hardship on them.

From the communications already received from those interested you no doubt are acquainted with their wishes and would therefore respectfully request that you give their application serious consideration, as I believe they are not asking anything but what is just.

Anything you may be able to do for them will be appreciated.

Yours, very truly,

A. A. SCHAUTZ,
General Manager.

**THE CALIFORNIA COTTON MILLS CO., OF OAKLAND, CAL., ASKS FOR
AN INCREASE OF DUTIES ON BURLAPS.**

OAKLAND, CAL., *November 19, 1908.*

HON. VICTOR H. METCALF,
Secretary of the Navy, Washington, D. C.

DEAR SIR: We are very much interested in the tariff revision which is now being held before the Ways and Means Committee at Washington, and is likely to be taken up by Congress in the near future. We are large manufacturers of jute burlaps, embracing the ordinary burlaps and also the finer grades used for fruit bagging, tarpauling, also twilled sacking, and other jute fabrics, including twines such as are used by the Post-Office for wrapping purposes, etc.

As manufacturers of these articles we find that the rates specified in the Dingley tariff are not affording us sufficient protection to enable us to compete with the cheap imported goods which are being brought in from British India, Great Britain, and Germany, and pay fair wages to our help. We ought to have the equivalent of the old McKinley tariff rates restored on the articles in question.

The greatest competition on burlap and jute goods comes from India, where men work for about 20 cents per day as compared with our wages of not less than \$1.50 per day, so we pay our weavers for doing the same kind of work six or eight times the wages based on the same number of hours per day.

We would suggest that to give proper protection to the industry in which we are engaged, the following changes should be made in the schedule, viz:

In Schedule J, paragraph 328, the duty on single jute yarns not finer than 5 lea or number should be increased to 1 cent per pound and 20 per cent ad valorem, and on jute yarns finer than 5 lea or number the duty should be increased to 45 per cent.

Paragraph 329: The tariff on cables and cordage, composed of istle tampico fiber, manila, sisal grass, or sunn, or a mixture of these or any of them, should be increased to 2 cents per pound.

Paragraph 341: The first part of this paragraph covers plain woven jute fabrics, not exceeding 60 inches in width, weighing not less than 6 ounces per

yard, and not exceeding 30 threads per square inch, counting warp and filling. The duty on goods covered by this clause should be increased to 1 cent per pound and 25 per cent ad valorem.

Paragraph 343: The rate of duty in this paragraph should be changed so as to read "One cent per pound and 25 per cent ad valorem."

We inclose you herewith a table showing the present rates of tariff on the articles in question, and opposite them the rates which are necessary to afford proper protection, and which we hope you can have inserted in the new tariff bill.

The rate of wages which we have mentioned for weavers here is the rate paid to women, as we employ all female weavers in our factory, while the India rate mentioned is for male labor. So from this you will see that we pay six times as much here to women as men are paid for the same class of work in India. The wages paid to machinists, engineers, firemen, packers, teamsters, and all other kinds of labor here are proportionately higher than in India.

The competition by foreign imports of these articles is so keen that it is impossible under the present tariff rates to increase the manufacturing of these goods in this country. We trust, therefore, that you will use every effort to have tariff rates on the above articles so adjusted as to give us a fair protection to enable us to pay a fair rate of wages and extend our business on these lines.

Should you wish any additional information which is at our disposal, we shall be pleased to communicate same to you.

Yours, very truly,

CALIFORNIA COTTON MILLS Co.,
Per J. F. MILLARD, *Secretary.*

EXHIBIT A.

Schedule J.	Present tariff.		Tariff necessary to afford proper protection.	
	Per pound.	Ad valorem.	Per pound.	Ad valorem.
328. Single yarns made of jute, not finer than 5 lea or number	<i>Cent.</i> 1	<i>Per cent.</i> 10	<i>Cents.</i> 1	<i>Per cent.</i> 20
Finer than 5 lea or number		35		45
329. Cables and cordage composed of istle, Tampico fiber, manila, sisal grass, or sunn, or a mixture of these or any of them	1		2	
341. Plain woven fabrics of single jute yarns, by whatever name known, not exceeding 60 inches in width, weighing not less than 6 ounces per square yard and not exceeding 30 threads to the square inch, counting the warp and filling	1	15	1	25
343. Bags or sacks made from plain woven fabrics of single jute yarns not dyed, colored, stained, painted, printed, or bleached, and not exceeding 30 threads to the square inch, counting the warp and filling	1	15	1	25
347 (paragraph)		45	(*)	

* Satisfactory to us.

**AMERICAN BURLAP-BAG MANUFACTURERS RECOMMEND A NEW
CLASSIFICATION FOR BURLAPS AND BURLAP BAGS.**

BOSTON, *November 27, 1908.*

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

GENTLEMEN: As a committee for the burlap-bag manufacturers of the United States, we respectfully ask you to revise the rates in paragraphs 341 and 343 of the Dingley bill, as follows:

341. Instead of five-eighths cent per pound and 15 per cent ad valorem, make it 1 cent per pound.

343. Instead of seven-eighths cent per pound and 15 per cent ad valorem, make it 1½ cents per pound.

The paragraphs would then read:

341. Plain woven fabrics, of single jute yarns, by whatever name known, not exceeding sixty inches in width, weighing not less than six ounces per square yard, and not exceeding thirty threads to the square inch, counting the warp and filling, one cent per pound; if exceeding thirty and not exceeding fifty-five threads to the square inch, counting the warp and filling, seven-eighths cent per pound and fifteen per cent ad valorem.

343. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, and not exceeding thirty threads to the square inch, counting the warp and filling, one and one-half cents per pound.

Please notice we have not asked any change in the last part of paragraph 341.

The effect of these changes is as follows:

341. The present duty of five-eighths cent per pound and 15 per cent ad valorem at present market value is equal to about 1.43 per pound. We have asked to have this changed to 1 cent, which would be a reduction of about 30 per cent of the amount of duty.

343. The present duty of seven-eighths of a cent per pound and 15 per cent ad valorem at present market value is equal to about 1.72 per pound. We have asked to have this changed to 1.50, which would be a reduction of about 13 per cent of the amount of the duty.

The reductions we ask would reduce the revenue about \$1,500,000 per annum when business is normal.

Specific duty against compound duty.—We ask to have the combination specific and ad valorem duties changed into straight specific duties, because of the great trouble and expense caused by the present ad valorem rates.

The extra expense comes under three heads.

(a) Extra duties paid on account of market fluctuations, the duty being payable on cost price if higher than market value, but on market value if higher than cost price.

We estimate that during the past eight years these extra duties on imported burlaps have amounted to more than \$200,000, which is a loss to the American importers, principally the burlap bag manufacturers. We say loss, because we do not get this item back from the consumers.

This loss to us is gain to the Government, and increases the duty by that amount over the rates in the tariff.

(b) Penalties lost by the importer to the Government on account of undervaluation by reason of mistakes in making entries, caused

principally by errors in foreign invoices. It is impossible to get shippers always to make their invoices right.

This again increases the amount of the duty over the rate named in the tariff.

(c) Extra work in connection with the complicated ad valorem settlements.

To the Government it is a question of extra useless labor at the custom-houses, making the complicated calculations which pertain to ad valorem duties.

The amount of useless work caused by an ad valorem instead of a specific rate is enormous. A straight specific rate would be much more convenient, satisfactory, effective, economical, and preferable in every way.

As we do not expect any opposition on this point we will not enter into any long argument about it. We attach a separate memorandum of some of the items of useless work caused by the ad valorem duty.

Reduction in the rate on burlap cloth.—A reduction in the rate on burlap cloth is demanded by consumers to whom we sell. We are pledged to them to work for this reduction. They are chiefly the flour millers and the manufacturers of various commodities, mostly agricultural—grain, sugar, cotton-seed meal, fertilizers, and other items too numerous to mention. Most of these articles are staple necessities of life, sold under great competition. The burlap bags are a necessity to the producer, who feels entitled to secure the packages for his produce at the lowest price.

Burlap cloth is not a luxury on which we can view a high duty with indifference. It is a necessity to the agricultural interests, and its large use is due to its low price.

Except for a few years under the Wilson bill, the jute schedule has been for the last generation, and is now, made up at protective rates. The present high rate of duty is the result of a misguided effort to protect the manufacture of burlaps in this country. But although this high rate has been in force for about eleven years, and although still higher rates were in force under the McKinley bill for several years, beginning 1890, there is no manufacturing of burlap cloth in this country worth mentioning. All of the factories here making goods covered by this paragraph do not supply one-half of 1 per cent of the consumption, and the small quantity made is made only as a side issue to some other larger line of manufacture.

Protective rates which would be entirely satisfactory to the manufacturer in the business were a desirable one in the first place, have not been, and would hereafter not be, successful in building up an industry which is known to be undesirable and unsafe for American investment. Even a higher duty would be only a heavy revenue duty wrongly collected from the consumers of a staple necessity which can not reasonably be produced in this country. Our American labor and capital can find better employment than to enter upon the manufacture of burlap cloth in competition with the cheap labor and fine manufacturing facilities of Calcutta, and in the absence of any source of supply of raw jute except Calcutta. It is a growing principle that each nation will hereafter claim the right to make its raw materials into finished products, especially in cases where

the raw material is produced or grown only by one nation. It is entirely optional with India to say how much of her raw jute she will allow to be exchanged in trade relations with foreign nations and whether with or without an export tax.

Under the Dingley bill we are taxing ourselves (for in this particular case the consumer surely pays the whole of the tax) about 26 per cent on these cheap coverings so essential to our agricultural interests, while India allows our manufactured cotton goods to come into her country at a duty of about $3\frac{1}{2}$ per cent. If the duty on burlaps were raised high enough to compel the manufacture in this country, notwithstanding the undesirable nature of the business, it is certain that India would put an export duty on jute, to the great embarrassment of the American manufacturer.

We do not wish to manufacture burlap cloth in this country. It is an industry which does not belong here. We can not produce the raw material. Jute is grown commercially only in India, and the burlap cloth for this market is made chiefly in Calcutta, where the labor is plentiful and manufacturing facilities are complete, economical, and up to date in every way for producing the cloth at the minimum cost. There are more than forty jute mills in Calcutta, representing an investment of more than \$100,000,000. These mills are equipped with the latest and best machinery, and are managed by English or Scotch managers, superintendents, and foremen, while the ordinary work is done by cheap native labor. The result is satisfactory and economical.

If we had access to some source of supply of the raw material other than India, there might still be some hope of building up the manufacture of burlaps in the United States, but there is no source from which the raw material can be obtained except India. The relationship between the Calcutta jute mills and the Indian government is very close. The seat of the Indian government is in Calcutta. A large proportion of the influential men in Calcutta are connected directly or indirectly with the firms which manage the jute mills, and these same men are intimately acquainted with the men comprising the Indian government, if not actively connected with the government themselves. No ordinary rate of duty could cause the manufacture of burlap cloth in the United States, and if the rate were made high enough to bring about this unnatural result we may be quite sure that the Indian government would promptly protect the important interests of its jute mills by placing an export duty on raw jute.

Without denying the benefits of the protective policy properly applied to lines of production which can reasonably be built up in this country we do deny that burlap cloth is a proper article for protection.

This country does not wish to make these cheap burlaps—can not make them. The price of our labor is prohibitory. Even with raw cotton at our doors three-fifths of our immense cotton crop is shipped to foreign countries hunting for cheap labor to make it into goods, and even then part of it pays freight back to this country and our tariff duties, still competing successfully with our own high price for labor. It is said that we do not manufacture and export 2 per cent of the cotton goods required by the importing countries of the world.

Under these circumstances it would look like commercial suicide to build jute mills and bring the raw material from India's cheapest

labor for our high-priced labor to make into these low-grade coarse fabrics. Our extra labor cost and extra freight to points of manufacture, and then reshipment to consuming points, compared with shipping the finished product net weight direct from Calcutta to points of consumption in our country, constitute an extra expense for which there is no proper return.

Some of our larger bag companies have built large modern cotton mills, but not one jute mill. During the years of 1906 and 1907 we could get only about two-thirds enough help to operate our cotton mills, which is decidedly against trying to run a jute mill at still lower wages. Our American labor does not want such work.

If burlap mills have not been built under this protection of the last twenty years, now is certainly a poor time to begin, with labor and all other expenses in our country much higher than they have averaged during that time.

The country will surely expect reduced rates of duty on those imports on which protective rates would benefit neither capital nor labor. Such reductions are right in line with all the arguments used in the campaign to elect Mr. Taft.

From a protection standpoint burlap manufacture is not a suitable industry to try to establish in this country. However, because certain other lines of jute manufactures have been established in this country, it is desirable, from the standpoint of those other manufacturers, to keep the rate of duty on burlaps as high as possible in order that burlaps may not interfere with their own products.

For instance, jute bagging for covering cotton bales is entirely different from burlaps. At present the two can hardly be said to come into competition at all. But if burlaps were put on the free list they might interfere with the jute bagging. It is partly on this account that we have modestly and moderately asked for a reduction only to 1 cent per pound, instead of asking to have burlaps put on the free list.

We are careful not to ask for any change in the rates that would be against the interests of the American industries protected by paragraphs 328, 344, and 347. We recognize the right of these manufacturers to claim a continuance in these paragraphs of the protective rates under which those industries were built up. Paragraph 341 is the only one under which there is no industry to protect, and there should not be any industry to protect under this paragraph.

From an investment and profit standpoint we consider that a burlap cloth mill here would be a dangerous and unsatisfactory enterprise.

From a labor standpoint it would be unsatisfactory in respect to the low quality of work to be performed and the small wages to be paid.

It is cheap, coarse cloth, requiring in its manufacture only a minimum of skill in the ordinary workers. We would do better trying to learn how to do something that is more worth while doing when we have learned.

The work is well done now by one of the poorest of poor people. They need the work far more than we do, and we should not begrudge them the small pay they get for it.

They control the supply of the raw material, which gives them the first claim on the manufacturing.

They are in a position to make it decidedly uncomfortable for us by putting an export duty on the raw material if we threaten to take the manufacturing away from them.

Even if once established here, the manufacture of burlap cloth could never become self-sustaining. It would always be dependent upon high protective duties, and the duties would have to be very high.

The burlap-bag manufacturers on behalf of whom this petition is introduced are the ones who are chiefly concerned with the burlap trade in the United States. The committee before you includes representatives of three concerns which are among the largest dealers in burlaps in the United States. Two of these three concerns are large owners and operators of cotton spinning and weaving mills, and at least these two, if not all three, of the concerns have ample capital to build jute mills and make burlap cloth if they desired to do so. If burlap cloth were to be made in this country, the men now appearing before you would be the very men to build the jute mills and make the cloth. We speak with full authority on this subject. We are now importing the burlaps, making the bags, and selling them to consumers, and we know the widths, weights, kinds, and quantities wanted, and when and where and how they are wanted. We own and operate spinning and weaving mills and are fully competent in every way to enter upon the manufacture of this burlap cloth, but we consider it a business unnatural to this country and undesirable to build up here.

We believe that at almost every revision some one promises the Ways and Means Committee that if the tariff is rated at a protection basis he or some one will build burlap mills in this country. Mr. Dingley told Mr. J. M. Bemis that two wealthy concerns had promised to build jute mills for these goods, one in the West and one in the East, provided fair protective rates were granted. These rates have now been in force eleven years, but, as might have been expected, no mills have been built. It is not an industry to attract capital in this country.

We ask for a duty on burlaps for revenue only, 1 cent per pound.

Differential duty on bags.—Ever since burlaps have been imported largely, except for a few years under the Wilson bill, the American manufacturers of burlap bags have been protected by a duty on burlap bags slightly higher than on the cloth. In the McKinley bill this differential was three-eighths of a cent per pound. In the Dingley bill it is one-fourth of a cent per pound, plus 15 per cent ad valorem on whatever may be the extra cost of having the bag made abroad.

At present market value the compound duty on the bag is equal to about 1.72 per pound specific.

The compound duty on the cloth is equal to about 1.43 specific, so the compound differential is apparently equal to about 29 points per pound specific.

The burlap-bag factories of the United States can not compete with the Calcutta-made bag on the present differential. This is shown by the fact that on the Pacific coast in all cases where the local bag manufacturers are first to meet with the competition of the Calcutta-made bag the Calcutta-made bag takes the trade. The manufacture

of such bags has been largely, if not wholly, abandoned by the American bag factories, and this, too, despite the fact that this is the business offering more volume to the bag manufacturers than any other business in their territory. The differential we ask would not stop the importation of Calcutta bags, and even an increase to seven-tenths cent per pound would not entirely stop it. Conditions have changed somewhat since the passage of the McKinley bill, and the protection therein given of three-eighths cent per pound would not be adequate under present conditions. Labor and manufacturing expenses generally are much higher than in the time of the McKinley bill. It is well known that in Calcutta adult male labor can be obtained for about 10 cents per day.

The amount of drawback which might under other conditions be collected on bags of domestic manufacture exported does not relieve the situation to any considerable extent for two reasons: First, because the home consumption of grain is greatly increasing, and second, it is almost impossible to collect the drawback without great expense. This is because of the great difficulty of identifying the exported bags. The shipments of grain go out in mixed lots—Calcutta-made bags, prison-made bags, and bags of our make—and the proportion of bags made by the American manufacturer is so small that it is almost impossible to get the export particulars and collect the drawback on them except at a loss. If the bags could be identified through from factory to time of export, the drawback anyway would go to the consumer and not to the bag manufacturer.

Another point in favor of an increased differential on bags is the fact that a large number of secondhand bags are imported, chiefly from Liverpool and the Argentine. We would be glad if an extra differential on these bags would tend to cause a better selection and prevent shipping here the cheapest and least desirable bags. They come in competition here with new bags, and the selling price of the secondhand bags is governed largely by the selling price of new bags. They would pay the extra differential.

In the case of secondhand bags it is the foreigner who pays the difference in the rate of duty, and the fact that the extra duty can be collected without increasing the price to the consumer is an additional reason for increasing the duty on these bags. There is also a point here in favor of the straight specific rate. The dutiable value of secondhand bags is low. If the duty is ad valorem, it is correspondingly reduced on these cheap bags, which might just as well pay the same specific duty as new bags.

This petition is presented on behalf of the following manufacturers of burlap bags: Ames, Harris, Neville Company, San Francisco; John T. Bailey Company, Philadelphia; Bemis Brother Bag Company, St. Louis; H. & L. Chase, Boston; H. & L. Chase Bag Company, St. Louis; Cleveland-Akron Bag Company, Cleveland; Fulton Bag and Cotton Mills, Atlanta; John C. Grafm Company, Baltimore; E. S. Halsted & Co., New York; Hardwood Manufacturing Company, Minneapolis; Percy Kent Company, New York; Mente & Co., New Orleans; Milwaukee Bag Company, Milwaukee; W. C. Noon Bag Company, Portland, Oreg.; C. H. Parsons Bag Company, New York; Riegel Sack Company, Jersey City; Royal Bag and Yarn Manufacturing Company, Charleston, S. C.

The above list includes most of the large burlap-bag manufacturers in the country. It includes probably nine-tenths of the volume of business in this line, although not such a large proportion of the number of separate manufacturers.

J. M. BEMIS,
Chairman.

A. V. PHILLIPS.

E. W. MENTE,

OSCAR ELSAR,

By J. M. BEMIS,
Committee.

EXHIBIT A.

Extra work on account of ad valorem duty.

The ad valorem duty on burlap makes or has made the following work, which would be saved if the duty was all specific instead of ad valorem:

All the work done by the United States consul in Calcutta in connection with the certification of market values on consular invoices and corrections thereon.

All work done by the United States consul in Calcutta in connection with the publication of a weekly list of market values, which has been the subject of much correspondence and negotiation.

All work done by the Treasury and State departments in corresponding with the United States consuls about market values.

All work done by brokers in Calcutta furnishing these market values for us on consular invoices. There is a lot of this work done all the time.

All work done by consignees of goods in this country verifying the market values as shown on consular invoices. It is a troublesome piece of work and requires a good deal of time and careful attention.

All work done by consignees in this country in connection with sending telegrams and letters to Calcutta to obtain correction of mistakes. We have a steady stream of correspondence with Calcutta about the correction of errors made in giving market values, and many times the corrections are obtained by cable only with considerable difficulty and expense.

Nearly all work of United States samplers in cutting samples of cloth from the bales, counting the number of threads per square inch, and comparing the quality to determine whether the goods are exactly the quality for which the value is appraised.

All work by United States appraisers in keeping account of the foreign market values, and of appraising the values in complicated fractions in rupees, annas, and pies for odd widths and weights of goods.

All work of shippers, consignees, and customs officials in connection with showing on invoices the nondutiable charges included in cost prices, and the correspondence and negotiations relating to these items. There is always a lot of this correspondence in process.

All work by United States general appraisers hearing protests against advances in valuations.

All work done by the Board of General Appraisers hearing appeals from the first decision of the appraiser on such protests.

All work by consignees, customs brokers, and witnesses attending the cases before the general appraisers and the appealed cases before the board in the effort to obtain correction of values advanced by the local appraisers.

All correspondence between collectors of customs and the general appraisers in New York in regard to such cases, sending the invoices back and forth.

All the extra work by consignees, customs brokers, and customs officials of figuring duties on odd numbers of yards at complicated foreign values, converted at odd rates of exchange, to determine amounts of duty which might be arrived at in the simplest and easiest manner, as, for instance, 98,864 yards of 36-inch 9-ounce to 40 burlap, at 839.6 rupees per 100 yards, less nondutiable charges on 50 bales, at 8 annas per bale, converted into American money, at 39.44½ cents per rupee, and duty taken at 15 per cent and five-eighths cent per pound, as compared with taking duty on the same item, 49,800 pounds, at, say, three-fourths of a cent a pound.

EXHIBIT B.

HON. D. F. LAFEAN, M. C., *York, Pa.*
The Shoreham, Washington, D. C.

DEAR SIR: Your favor of the 23d instant just received.

We authorize you to add our name to the petition of the bag manufacturers you are presenting to the Ways and Means Committee.

Wishing you success in your efforts, we beg to remain,

Yours, very truly,

AMERICAN BAG COMPANY,
W. H. CARTER, *Vice-President.*

HON. D. F. LAFEAN, M. C., FILES LETTER OF C. H. DEMPWOLF,
YORK, PA., ASKING REMOVAL OF DUTY FROM BURLAPS.

YORK, PA., *November 28, 1908.*

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

MY DEAR SIR: I inclose herewith a self-explanatory communication from Mr. C. H. Dempwolf, of the York Chemical Works, York, Pa.

I would respectfully ask that this communication, as well as Mr. Dempwolf's views, be given the committee's careful consideration.

Yours, very truly,

D. F. LAFEAN.

YORK, PA., *November 25, 1908.*HON. D. F. LAFEAN, M. C., *York, Pa.*

DEAR MR. LAFEAN: There are several articles of raw material which enter the manufacture of fertilizers subject to duty which, in my opinion, should be permitted to come into this country free. The article immediately under consideration is burlap, from which fertilizer bags are made. The duty amounts about from 1½ to 2 cents on each bag, or from 20 to 30 cents per ton of fertilizer. The importer pays the duty for the bag manufacturer, and the fertilizer manufacturer in turn pays a higher price to the bag man, adding it, of course, on the price of fertilizer which goes to the farmer. This might be the natural way in which the duty is collected from the farmer, but in reality the burden rests with the manufacturer of fertilizers, as it is next to impossible to adjust prices of fertilizers so exactly as to distribute the exact cost on account of the duty just where it belongs.

As fertilizer manufacturers we are, of course, opposed to this duty, and we therefore respectfully desire to ask your cooperation in abolishing the same. The Hon. S. E. Payne, chairman of the Committee on Ways and Means, has issued a call for tariff hearings on burlap for November 30, and if you can assist in bringing this matter to the proper notice of the committee you will receive prompt recognition and thanks of all the fertilizer manufacturers of the country, as well as the great mass of farmers. Mr. C. H. MacDowell, general manager of the Armour Fertilizer Works, will be the representative of the fertilizer manufacturers to plead our case before the committee.

Kindly advise me if we may expect your approval and cooperation in this matter, and oblige.

Very sincerely, yours,

C. H. DEMPWOLF.

HON. RICHARD W. PARKER, M. C., SUBMITS LETTER OF WILLIAM CRABB & CO., NEWARK, N. J., RELATIVE TO BURLAPS.

NEWARK, N. J., *November 20, 1908.*

HON. RICHARD WAYNE PARKER, M. C.,

Washington, D. C.

HONORABLE SIR: We understand that the Ways and Means Committee are to give a hearing to the manufacturers of jute, flax, and hemp rope and twine bagging, etc., on November 30. We manufacture materials used in the manufacture of such fibers, therefore we know that it would be a very serious matter to us if the tariff were to be lowered on such goods. We would rather see it increased, as there are very large quantities of burlap being imported from Dundee, Scotland, and Calcutta, India. With a better protection such burlap, used for the foundation of linoleum and oilcloth and for the shipment of very many kinds of goods, would then be made in the United States, giving employment directly and indirectly to thousands of people.

We employ 150 hands and have over \$200,000 invested in our business, therefore we feel a reduction in the tariff on goods manufactured from jute, flax, and hemp or similar fibers would be detrimental

to us, and we therefore pray that you use your influence in preventing any such reduction in the tariff on such goods.

Thanking you in anticipation of your efforts, we are,

Yours, very truly,

WILLIAM CRABB & Co.

THE ZENITH MILLING COMPANY, KANSAS CITY, MO., FLOUR MILLERS, ASKS REDUCTION OF DUTY ON BURLAP CLOTH.

KANSAS CITY, *November 28, 1908.*

Hon. S. E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: As export flour millers we use large quantities of jute and burlap bags. In view of the fact that your committee is now considering the revision of the tariff, we would respectfully ask you to consider the matter of the reduction in the duty on burlap cloth. This to our minds is very essential, and we can not see how any reduction can in any way injure any manufacturing institution in our country.

Thanking you in advance for your earnest consideration of the above question, we beg to remain,

Yours, very truly,

ZENITH MILLING COMPANY,
L. S. MOHR, *President.*

R. ROCHESTER, NEW YORK, STATES THAT MANUFACTURE OF COTTON BAGGING IS CONTROLLED BY TWO CONCERNS.

NEW YORK CITY, *November 28, 1908.*

President ROOSEVELT,

Washington, D. C.

MY DEAR SIR: Jute bagging for covering cotton bales is an item which I think richly deserves the attention of the men now sitting on tariff revision.

Every yard of bagging used to cover the cotton crop of the United States is made by the American Manufacturing Company, 65 Wall street, and the Ludlow Manufacturing Company, at Ludlow, Mass., which concerns have the country districted, the American selling 82 per cent and the Ludlow 18 per cent, at an agreed price.

This business has been going on for many years, the two concerns in question having gradually crushed out or absorbed all others who attempted to make bagging.

They are protected by a tariff to such an extent that it keeps out the Dundee and Calcutta bagging. For it has been the rule for many years that whenever a consignment of any foreign bagging would come in the combination (American and Ludlow) would promptly lower their prices in the market to which the foreign bagging came to a point below the cost of the foreign bagging, and would so advertise the fact and intimidate the trade as to discourage further importations.

It is a notorious fact that the American cotton bale is to-day and has been for many years, since the existence of this trust agreement,

the most disreputable package which comes from any market of any commodity on earth.

The bagging is sold all the way from 3 to 4½ cents per pound, though made out of the lowest and cheapest grade of jute butts and rejections, worth in the market seven-eighths to 2 cents per pound.

It is loaded down with East River water salt, oil, barytes, and other makeweights, and which makeweights it is estimated about to cover the labor cost on the bagging.

It is made of very coarse slazy slivers and runs through the machines consequently at a rapid rate.

The above concerns have for many years seen to it, by maintaining the secret lobby in Washington, that the tariff on bagging is always kept up to the high-water mark, and they thereby fattened at the expense of every farmer and planter throughout the South who had a bale of cotton for market and who might otherwise present it at market in merchantable ship shape and at reasonable cost for his bagging.

Several years ago the American Manufacturing Company cut down its capital stock from \$3,000,000 to \$2,000,000, passing around the excess \$1,000,000 (the profits on bagging for two years) to its stockholders, saying it had no use for the extra capital.

The tariff on bagging should be removed entirely, and at once this would operate to encourage competition here or enable the foreign bagging which is of a standard quality and integrity to come in.

In addition to the above combination between the American and Ludlow they also maintain a chain of brokers or so-called dealers throughout the country who, though posing as independent, are in fact emissaries of these concerns, keeping them advised at all times of the conditions in the various markets regarding the status of foreign bagging, etc., and with suggestions as to "all the traffic will bear."

A case in point is that of Oscar Edgerly, 96 Water street, New York, who, though going before the trade as an independent dealer, habituates the offices of the American Manufacturing Company, getting all instructions from it in each case as to how to quote and, in fact, frequently having his letters framed up there for him, thus keeping up the semblance of a competition to deceive and mislead the public.

This American Manufacturing Company is the same concern whose man Fleming was arrested at Auburn, N. Y., a short while ago for stealing clandestinely into the mill of the Columbian Rope Company, a competitor, and who was found, upon investigation, to have in his trunk at the hotel blueprints and detail descriptions, formulas, etc., of almost every fiber-working plant throughout the United States.

This is a mere outline of some of the salient features of the situation, and can be abundantly corroborated and supplemented by the cordage, fiber, and bagging fraternities.

I am sending a copy of this letter to Mr. Harvey Jordan, of Atlanta, Ga., in the hope that he will use the data among his friends there mostly interested.

Trusting that you will lodge this communication before the proper committee, I beg to remain, sir,

Yours, very truly,

R. ROCHESTER.

**AMES, HARRIS, NEVILLE COMPANY, OF PORTLAND, OREG., ASKS
PROTECTION AGAINST CALCUTTA-MADE BAGS.**

WASHINGTON, D. C., *November 30, 1908.*

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

GENTLEMEN: A meeting of the bag manufacturers was held in New York City on the 17th day of November this year. At that meeting there were present a large majority of the bag manufacturers of the United States, and about 90 per cent of the volume of bag manufacturing done in this country was represented at that meeting. After deliberation it was recommended, and with which recommendation the undersigned are in thorough accord, to suggest to your committee as follows:

First. That a simple specific duty be substituted for the present compound ad valorem and specific duty.

Second. That the duty on the burlap, described in the first subdivision of section 341 of the Dingley tariff, be fixed at 1 cent per pound.

Third. That the duty on burlap bags, described in subdivision 343 of the Dingley tariff, be fixed at 1½ cents per pound.

It was further decided to make no recommendation as to other burlap, because of the fact that these are the burlaps and bags in which the bag manufacturers are principally interested. It is not the intention of the undersigned to dwell particularly on the recommendation of the conference in regard to a simple specific duty or in regard to fixing the duty on the burlap mentioned in the first subdivision of section 341, Dingley Act, at 1 cent per pound, because these recommendations apply generally to the United States as a whole, and strong reasons will be furnished to your committee favoring the adoption of this schedule. It is, however, our intention to point out at considerable length our reasons why the rate on the burlap bag should be fixed at 1½ cents per pound, simple specific, and a differential of one-half cent per pound be established in favor of the bag.

We desire to state at the outset that the question of protection of the American-made bag against the Calcutta-made bag is important to all bag manufacturers of the United States, but applies with particular force to the Pacific coast, at which place the undersigned maintains its factories. Throughout the East and Middle West grain is handled in bulk and the manufacture of grain bags is not a large part of the established bag manufacturer's business. On the Pacific coast, because of the peculiar conditions existing there, it is impossible to handle grain in bulk. In the first place, the vessels carrying the grain to foreign ports will not accept the grain unless sacked, because of the danger of shifting the cargo, and also because of sweating of the wheat going around the Horn. Therefore on the Pacific coast millions of bags are used annually in the harvest fields for handling the wheat, oat, and barley crop, and the bag that is principally used for this purpose—in fact, almost exclusively used—is a bag which is known as "Standard 22 by 32 Calcutta grain bag."

Under the McKinley tariff a differential of three-eighths of a cent per pound existed between the burlap out of which the bags are made and the bags themselves. This afforded to the bag manufacturer a

very slight margin of protection, although this protection would not be sufficient to-day under the conditions which now exist and to which your attention will be directed later. Under the Wilson bill there was no duty either on burlap or bags, and consequently none of these bags were made by the local bag manufacturers on the Pacific coast. Under the present Dingley tariff the duty on burlap is 15 per cent ad valorem and five-eighths of a cent per pound specific, and the duty on bags is 15 per cent ad valorem and seven-eighths of a cent per pound specific, affording to the bag manufacturer a protection of a quarter of a cent per pound specific and a slight additional protection of the ad valorem duty because of the slightly higher price of the Calcutta bag. Taking the rates mentioned as a basis, the duty on the Calcutta bag would be about 1.76 cents per pound specific and the duty on the burlap out of which the bag is made will be about 1.46 cents per pound specific, affording to the bag manufacturer a protection of about three-tenths of a cent per pound. This, we submit, affords us no real protection at all, and this statement is best proven by the fact that under the Dingley law the manufacture of the standard grain bag on the Pacific coast has been practically abandoned, and we do not believe that there are at present manufactured by local bag institutions on the Pacific coast more than $7\frac{1}{2}$ per cent of the bags which this section actually uses. Under the McKinley tariff, as we have said, the protection was three-eighths of a cent per pound specific, but that would not afford us any protection to-day for two reasons. First, because the scale of wages on the Pacific coast has advanced from 20 to 30 per cent, and in some instances even more, since the McKinley bill was law, and, second, there has been introduced into the Calcutta factories many labor-saving machines which have materially reduced the cost of manufacture to them.

Adult male labor in Calcutta to-day is 10 cents per day, and adult labor on the Pacific coast is from \$1.75 to \$2 per day. We do not claim that we should have the proportionate protection that this difference in labor represents, but we feel safe in saying that it costs the American manufacturer four to five times as much to manufacture grain bags than it costs the Calcutta factories with their low-priced Hindoo labor. There are at present on the Pacific coast 6 factories that are equipped to manufacture bags. These factories represent an investment of over a million and a half dollars, and at present employ nearly 1,000 operatives. If the protection which we ask could be accorded us, the number of employees would be increased and a considerably larger volume of business be given to the bag manufacturers on the Pacific coast.

The establishment of a differential of one-half cent per pound would not prevent the importation of the Calcutta bag, and the margin of profit that the local manufacturer would make by reason of this protection would be very small; in fact, if the differential was seven-tenths, or even three-fourths cent per pound, it would be still probable that the Calcutta bag would be imported and sold successfully in competition with the bag of local manufacture. The grain-bag business on the Pacific coast represents by far the largest volume of the bag business, and yet under the conditions that have existed for many years, and which still exist, the local bag manufacturer has not been in a position to compete for this business because of the low-

priced Hindoo labor, and we respectfully submit that the protection which we ask is one to which we are entitled, based upon the Republican theory of protection to established American industries.

In the discussion of this question we are not unmindful of the fact that bag manufacturers obtain a drawback on all bags that are exported from the country, and the possible protection that exists by way of drawback was fully taken into consideration and discussed at the conference of the bag manufacturers of the United States. The protection of one-half a cent per pound specific does not, of itself, afford adequate protection, and the bag manufacturers could not manufacture on this differential without some possible drawback. However, the protection by way of drawback is not as great as might at first seem apparent, and this for two reasons. In the first place, with the rapid development of the Pacific coast and increase in its population, the home consumption of grain is becoming greater and greater every day, and in addition to that more and more wheat is being ground into flour, so that the exportation of wheat from the Pacific coast, and especially from the State of California, is on the decline. In the second place, the cost of collection of the drawback is a very considerable item and one which must not be overlooked. In fact, the expense of collection of drawback in some instances is so great that many of the bag manufacturers who still make a few of these bags have practically abandoned the collection of this drawback in many localities, and it sometimes happens, in fact we may almost say that it often happens, that the amount of drawback obtained from single shipments is considerably less than the expense entailed in its collection.

Another phase of this question to which we desire to draw your attention arises from the fact that annually many secondhand bags are shipped into this country, both from Liverpool and from the Argentine Republic, and as a result of such importation the bag manufacturers are compelled to compete with secondhand bags, and consequently also to meet the competition of secondhand bags with new bags. It is also a fact that the quality of these secondhand bags is very poor indeed, and the only way that quality can be improved is to establish a sufficient differential between the burlap and the bags to compel the importation into this country of only a good quality secondhand bag. Another matter to be considered in connection with this subject is the fact of the additional revenue that would be obtained by the Government because of an additional duty on these bags.

In conclusion, we beg to state that the reasons herein given for the establishment of a differential of one-half cent per pound between burlap and the bags out of which same are made are the result of careful and considerable deliberation on our part, and we sincerely believe that we are asking only that which we should be granted, taking into consideration the rights not only of the bag manufacturers, but also of the consumers.

Respectfully submitted.

AMES, HARRIS, NEVILLE Co.,
EVERETT AMES.

STATEMENT OF J. M. BEMIS, BOSTON, MASS., REPRESENTING THE
AMERICAN BURLAP BAG MANUFACTURERS.MONDAY, *November 30, 1908.*

Mr. BEMIS. Mr. Chairman and gentlemen of the committee, I desire to speak only in a general way. The younger men will have something more definite to say, and the gentlemen of the committee can ask them more questions than I might be prepared to answer. The bag manufacturing companies have a duty to perform.

The CHAIRMAN. What paragraph is this under?

Mr. BEMIS. Paragraphs 341 and 343. The facts will all be given by the next gentleman on the list, who will read what we want. I will speak only in a general way.

The bag manufacturers have a duty to perform to this committee. We are here to give you our views as near as we can possibly do so. Some of us have been in the business for a generation. There are two gentlemen on the Ways and Means Committee whom I have been before personally at least three or four times, the chairman and the gentleman to his right. I have been here for various reasons. In the Dingley bill I advocated free burlaps if consistent with the revenues, and only if consistent with the revenues. We landed in the burlap schedule at what we call a protection rate, a very small differential on bags. The industry of this country has not been prosperous. Chairman Dingley at the hotel gave me about fifteen minutes for an interview. He said:

Mr. Bemis if you will advocate a lower rate of duty which yet may be protection I have the assurance of two wealthy concerns in the United States that they will build burlap mills. There are a great many jute mills, but no burlap mills.

Of course I could say nothing to that. If the industry could be built up here, I was not going to speak against it. All of you know that the present Dingley Act provides rates of five-eighths of a cent specific and 15 per cent ad valorem.

Mr. GRIGGS. Were the mills built?

Mr. BEMIS. They were not. I do not believe they can make the goods in this country unless there is a higher duty put on. I will only say that the gentlemen who represent the jute industry, which is largely different from ours, only want a duty on the plain burlaps which cover cotton and grain.

Relative to the covering of cotton bales in the South, I would state that those goods are made in this country only to the extent of one-half of 1 per cent of what is used here, certainly under 1 per cent, so we do not advocate free burlap, because it would destroy the interests of others.

Some of the gentlemen interested in this schedule have been after me pretty sharp for advocating free burlaps in the Dingley bill, and I wish to say that I am not advocating free burlaps, because we recognize that the revenues of this country must be kept up. Goods that go on the free list have no protection, and no protection means less revenue, and we must have something coming in order to get the revenue. I do not know, but, perhaps, some of our consumers of burlap who are here may tell you—they are customers of ours—perhaps I ought to speak of free burlap, but I do not think it is advisable. It is either revenue from imports or it is a direct tax.

You gentlemen will have to decide that question. I do not envy any of you the position you occupy. You occupy a very difficult position. You have to stand for the country, for the manufacturers, and for the consumers. It is a hard position, and what little the bag manufacturers can do to enlighten you we are willing and anxious to do.

There is just one more point I would speak of, and then I will give way to those who will furnish the more detail information. We had a meeting of the bag manufacturers, practically all of the bag manufacturers in the United States, in New York on the 17th. Nine-tenths of them were represented. We have had prepared a brief that the gentleman following me will read. That will give you the schedule. As I say, the bag manufacturers met in New York. Some of them were in favor of a higher duty, some in favor of a lower duty, some wanted a specific duty, and some wanted a differential. Finally we got together, the first time since I have been in the business when the burlap manufacturers and the bag manufacturers got together and decided upon one specific thing.

The CHAIRMAN. Well, I congratulate you. While you got together the committee will want to know the facts on which you acted in order that they may get together.

Mr. BEMIS. We ask a differential. In that respect everybody was an Oliver Twist—they wanted a little more. They will speak for themselves on that subject. I am much obliged to the committee for the attention which you have given me.

Mr. GRIGGS. Can you hear me?

Mr. BEMIS. Yes, sir. With the chairman's permission, I shall be glad to answer any questions.

Mr. GRIGGS. I do not need to ask the chairman's permission; the chairman is all right.

Mr. BEMIS. All right.

Mr. GRIGGS. Do you think that if there is a tax to be collected and revenue is to be raised, that the best place to get it is from the farmer, who does not know any better?

Mr. BEMIS. The best place to get it is from something that is imported.

Mr. GRIGGS. Certainly.

Mr. BEMIS. I am much obliged to you for your attention.

STATEMENT OF A. V. PHILLIPS, OF BOSTON, MASS., WHO WISHES SPECIFIC INSTEAD OF COMPOUND DUTIES ON BURLAPS.

MONDAY, *November 30, 1908.*

The CHAIRMAN. Whom do you represent?

Mr. PHILLIPS. I represent the burlap bag manufacturers of the United States.

The CHAIRMAN. You may proceed, Mr. Phillips.

Mr. PHILLIPS. We appear before you in relation to paragraphs 341 and 343 in the jute schedule. In paragraph 341, which covers common burlap, we ask for a rate of 1 cent per pound instead of five-eighths of 1 cent per pound and 15 per cent ad valorem.

Mr. GRIGGS. What difference does that make?

Mr. GAINES. What schedule are you talking about?

Mr. PHILLIPS. Paragraph 341. On common burlap we ask for 1 cent a pound specific duty instead of five-eighths of 1 cent a pound and 15 per cent ad valorem.

Mr. GRIGGS. What difference does that make?

Mr. PHILLIPS. The present duty at the present market value is equal to 1.43 cents per pound.

Mr. GRIGGS. You want a reduction?

Mr. PHILLIPS. We are asking for a reduction of about 30 per cent on the burlap. We manufacture burlap bags out of burlap cloth. We import the cloth.

Mr. GRIGGS. You want the cloth on the free list?

Mr. PHILLIPS No, sir; we are asking for a rate of 1 cent a pound.

Mr. UNDERWOOD. Right there, is all the burlap cloth imported and none of it manufactured in the United States?

Mr. PHILLIPS. Ninety-nine and one-half per cent is imported. About one-half of 1 per cent or less is made here in the United States.

Mr. UNDERWOOD. Then, if we reduced the duty that would reduce the revenue?

Mr. PHILLIPS. Yes, sir.

Mr. GRIGGS. When you come as close as 99½ per cent, why should you use the word "about." "About" would cover one-half of 1 per cent?

Mr. PHILLIPS. Yes, sir. Burlap cloth is our raw material. We manufacture burlap bags of imported cloth. We are asking for a reduced rate on the burlap cloth, and we are asking for an increased differential on the manufactured bags. Paragraph 343, instead of seven-eighths of a cent per pound and 15 per cent ad valorem, we would like to have that made 1½ cents a pound specific.

Mr. LONGWORTH. What would that amount to?

Mr. PHILLIPS. That means a reduction in the present rate of about 12 per cent. We are asking for a reduction of 30 per cent on the burlaps and a reduction of 12 per cent on the bags, which gives an increased differential on the bags of about 50 per cent over what we have now.

Mr. FORDNEY. Could you furnish the finished product to the consumer any cheaper?

Mr. PHILLIPS. Yes, sir. In the case of burlaps and bags the entire duty is paid by the consumer. The price to the consumer is more just by the amount of the duty. There is no question of exporting any of this material to foreign countries; it is all we can do to supply our own market in competition.

Mr. GAINES. Who buys it?

Mr. PHILLIPS. The agricultural interests—manufacturers of fertilizer, and it is used for grain and vegetables.

Mr. GAINES. What is the amount of your product that enters into the ordinary grain sack, how much of it?

Mr. PHILLIPS. According to the Treasury statistics for the year ended June 30, 1907—

Mr. GAINES (interrupting). No; I mean the amount that it takes to make a sack?

Mr. PHILLIPS. About 1½ yards.

Mr. GAINES. What is it worth at the present price?

Mr. PHILLIPS. Five, 6, or 7 cents.

Mr. GAINES. Six cents?

Mr. PHILLIPS. Say, 6 cents.

Mr. GAINES. The duty as it now stands is five-eighths of a cent a pound and 15 per cent ad valorem. How much would that make the total duty on one of these sacks?

Mr. PHILLIPS. Perhaps 1 cent, maybe a little more, depending on whether it is a large or small sack.

Mr. GAINES. That is all.

Mr. UNDERWOOD. There is a question that I want to ask you. I notice the number of pounds imported is 57,000,000. What is the total production in this country?

Mr. PHILLIPS. The statistics show that the imports of the cloth are 316,000,000 pounds.

Mr. UNDERWOOD. I was talking about the bags?

Mr. PHILLIPS. I am coming to that. The amount imported is 500,000,000 or 600,000,000 yards, of which three-fourths is made into bags, say 350,000,000 bags.

Mr. UNDERWOOD. Manufactured in this country?

Mr. PHILLIPS. Yes, sir.

Mr. UNDERWOOD. Then that makes about 85 per cent of the consumption of the home market which you produce in this country, there being only about 15 per cent of the manufactured bags imported?

Mr. PHILLIPS. That is about right, I guess.

Mr. UNDERWOOD. Would the reduction of the duty you ask for increase the importation of bags?

Mr. PHILLIPS. Not if we get the reduction we ask for on the burlap cloth. It would decrease the importation of burlap bags.

Mr. UNDERWOOD. How seriously would that affect the revenues?

Mr. PHILLIPS. About \$1,500,000 a year.

Mr. UNDERWOOD. It would reduce the revenues?

Mr. PHILLIPS. Yes, sir.

Mr. POU. Do you manufacture cotton bagging?

Mr. PHILLIPS. No, sir.

Mr. RANDELL. What was the reason, if any, for the great increase in the price of jute bags about four or five years ago?

Mr. PHILLIPS. I do not remember the particular increase that you refer to. The prices go up and down, according to the supply and demand.

Mr. RANDELL. Did not the price go up permanently several years ago; not up and down, but simply go up and stay there?

Mr. PHILLIPS. Year before last we had a very big advance in the price of raw jute in Calcutta. It put up the price of all stuff.

Mr. RANDELL. What was the difference in the price of these bags, in which you put grains, oats, and wheat, in 1899 and 1902?

Mr. PHILLIPS. I can not carry those figures in my mind, but I can say in a general way that the price of bags fluctuates from 5 cents to 8 cents or 9 cents, grain bags. The market goes up and down the same as with cotton or anything.

Mr. RANDELL. The price was never as high as 7 cents before the Dingley bill was enacted, was it?

Mr. PHILLIPS. There are so many different kinds of bags that I do not know just what kind you have in mind.

Mr. RANDELL. At any rate, the tariff increased the price of the bags?

Mr. PHILLIPS. Undoubtedly, by just the amount of the tariff.

Mr. RANDELL. And that tax comes out of the grain producer?

Mr. PHILLIPS. The consumer of the bags, unless he gets it back from somebody else.

Mr. RANDELL. The grain producer not only has to pay that, but he has to pay whatever additional price is put on on account of the extra amount of money needed in the business?

Mr. PHILLIPS. Yes, sir.

Mr. RANDELL. So that is a direct tax upon the grain producers of the country?

Mr. PHILLIPS. Yes, sir.

Mr. FORDNEY. If the duty were removed, would it drive you out of business entirely?

Mr. PHILLIPS. No, sir. It would not drive us out of business, but it would hurt us.

Mr. FORDNEY. It would not hurt the consumers?

Mr. PHILLIPS. No, sir.

Mr. FORDNEY. You could still manufacture at a profit?

Mr. PHILLIPS. Do you mean if the duty on bags were taken off, or the duty on burlap?

Mr. FORDNEY. The duty on the raw material.

Mr. PHILLIPS. Both bags and burlaps were on the free list under the Wilson bill for three or four years. The bag men did not go out of business, but there were some importations of bags from abroad, and it was found that the American bag men could not compete. It did not continue long enough for the foreign bag manufacturers to get a very firm foothold.

Mr. FORDNEY. In your opinion, if the raw material and the finished product were put on the free list, you could not succeed and pay the same rate of wages for American labor that you pay now?

Mr. PHILLIPS. That is it. At the present time we have cables from Calcutta that there have been contracts made so far this year for shipment next year of about 25,000,000 bags to be shipped to California, Oregon, and Washington. Twenty-five million bags have been contracted for to be shipped here, notwithstanding the differential we now have on the bags, showing that the American manufacturer is not able to compete fully with Calcutta at the present differential.

Mr. COCKRAN. What do you mean by can not "compete fully"?

Mr. PHILLIPS. I mean where the bag is of a uniform size and shape, and where the companies in Calcutta can get large orders for them we are not able to compete on the same basis. We can compete chiefly because the consumers can not afford to send their orders to Calcutta.

Mr. COCKRAN. Why can not they afford to send their small orders to Calcutta, if they can get the bags cheaper?

Mr. PHILLIPS. Where they order 25,000,000 bags all of one shape and kind, the orders can be sent to Calcutta to advantage.

Mr. COCKRAN. You are competing now?

Mr. PHILLIPS. No, sir. They are all being bought now in Calcutta.

Mr. COCKRAN. All of the bags of that particular kind come from Calcutta?

Mr. PHILLIPS. Nearly all of them.

Mr. COCKRAN. The bags which we import, are they better than the bags made here?

Mr. PHILLIPS. The bags that you see on the list here are chiefly those bags that go to the Pacific coast. It happens to be of one size and shape and kind. It is the bag called the "new cental bag," and it is because of the vast quantities in which those bags are used and made in Calcutta that we can not compete with them.

Mr. COCKRAN. I understood you to say that all the bags used in that branch of industry of this character are made in Calcutta?

Mr. PHILLIPS. All the burlap bags?

Mr. COCKRAN. Yes.

Mr. PHILLIPS. No, sir. Nearly all the burlap bags used east of the Rocky Mountains are made in the United States. We make them, but on the Pacific coast it happens that they use a large quantity of a certain kind of bag of one particular size and shape, and 25,000,000 of them have already been contracted for in Calcutta, to be shipped here in next March and April, to take care of the California and Pacific coast wheat crop that comes in next July and August.

Mr. COCKRAN. Let me see if I understand you. All the bags used in the various branches of trade east of the Rocky Mountains are made by you?

Mr. PHILLIPS. Most of them.

Mr. COCKRAN. And a particular bag, just of one fixed size, you say, will be imported next year to California?

Mr. PHILLIPS. It is imported every year.

Mr. COCKRAN. You do not apprehend any larger importation this year than there was last year? I mean there is no new condition, is there?

Mr. PHILLIPS. No, sir. Every year we get from 30,000,000 to 35,000,000 of those bags, which come from Calcutta every year, because the differential that the American bag manufacturer has is not large enough to enable him to compete against the cheap labor of Calcutta.

Mr. UNDERWOOD. Where is the principal point where these bags are manufactured in the United States?

Mr. PHILLIPS. They are manufactured all over the country.

Mr. UNDERWOOD. What are the principal points?

Mr. PHILLIPS. The factories we represent this morning are located in 24 different States.

Mr. UNDERWOOD. On this side of the Mississippi River?

Mr. PHILLIPS. On both sides. Mr. Ames, of the firm of Ames, Harris, Neville Company, will speak later. He is here. There are six big companies on the Pacific coast.

Mr. UNDERWOOD. And they get their cloth delivered on the Pacific coast without the payment of railroad freight?

Mr. PHILLIPS. It comes right across from Hongkong.

Mr. UNDERWOOD. Then it has not the difference of freight rates?

Mr. PHILLIPS. No, sir. The freight rate has nothing to do with it. The cost of landing it at San Francisco is about the same as that at New Orleans. If we had a demand at New Orleans, a demand for one size of bag similar to this on the Pacific coast, we would not be able to compete against the Calcutta market.

Mr. UNDERWOOD. What is the current price of these bags in Calcutta?

Mr. PHILLIPS. The current price in Calcutta is now 13 rupees per hundred bags.

Mr. UNDERWOOD. Make it American money.

Mr. PHILLIPS. The cost of landing in San Francisco is about 6½ cents.

Mr. UNDERWOOD. Six and one-fourth cents in San Francisco, freight added?

Mr. PHILLIPS. Yes, sir; everything, and duty paid.

Mr. UNDERWOOD. What is the market price of the same class of bag f. o. b. factory in California?

Mr. PHILLIPS. Those bags ordinarily are turned over to the consumers right on the dock on arrival, and the difference is just a brokerage. It is whatever the importer can get out of it.

Mr. UNDERWOOD. I know, but I am asking you the cost price of the American bags f. o. b. the factory in California.

Mr. PHILLIPS. Six and one-fourth cents; it would be 6.40, perhaps, or 6.45; 15 or 20 points a bag.

Mr. UNDERWOOD. Six twenty-five—

Mr. PHILLIPS. Six forty-five against 6.25, a difference of about 20 points a bag.

Mr. UNDERWOOD. Now, how much is the difference in the tariff?

Mr. PHILLIPS. The difference in the tariff is already about 20 points a bag, but that 20 points a bag does not serve to protect us against the Calcutta labor of 10 cents a day. It needs about 20 points more, besides the 20 points we have already got.

Mr. UNDERWOOD. Is not the best estimate, where the labor of Calcutta and the freight rate take its place in this competition, the price at which the Calcutta merchant can lay this bag down at San Francisco? He has got the market to the point of competition as close as he can.

Mr. PHILLIPS. Yes, sir.

Mr. McCALL. That also includes the duty, the 6½ cents, the freight and the duty?

Mr. PHILLIPS. Yes, sir. The freight does not cut any figure in the calculation at all.

Mr. McCALL. It is the cost of landing?

Mr. PHILLIPS. Yes; duty paid. Say we can buy the bag to-day at 6.25; it would cost us to produce that same out of imported cloth, paying the present rate of duty, about 6.45.

Mr. UNDERWOOD. I understood you to say that the bag landed at San Francisco, not including the duty at the docks, was 6.25.

Mr. PHILLIPS. No; duty paid; including the duty.

Mr. UNDERWOOD. Without the duty, what does that reduce it to?

Mr. PHILLIPS. I do not carry the figures in my mind. The duty on the bag is somewhere around a cent or a cent and a quarter. Making a guess at it, it might be about 5 cents without the duty. That is a guess.

Mr. UNDERWOOD. In other words, the bag laid down in San Francisco without the duty would be 5 cents, against a factory price of 6.45. Is that right?

Mr. PHILLIPS. That factory price includes the duty on the cloth. We have to pay a duty on the cloth at five-eighths of a cent a pound and 15 per cent ad valorem.

Mr. UNDERWOOD. I am talking about the cost price at the factory, which of course includes the cost of the cloth. I want the cost price at the factory in California.

Mr. PHILLIPS. You do not want to compare the price of the bag without the duty against the price of our bag made up, including the duty on the cloth?

Mr. UNDERWOOD. No; but if you bought the cloth and paid the duty on it, that is certainly part of your cost price?

Mr. PHILLIPS. Yes.

Mr. UNDERWOOD. Either you do not understand me or I do not understand you.

Mr. PHILLIPS. I think it would be better to include the duty both times—the price of the bag, including the duty.

Mr. UNDERWOOD. I am trying to get some information, so as to make a comparison, and if you will kindly give it my way I will be obliged to you. What is the cost of the bag at the factory in California f. o. b. the car, including everything there? I mean the American-made bag in the factory in California.

Mr. PHILLIPS. Call it 6.45, including the duty that we have paid on the cloth.

Mr. UNDERWOOD. Now, I want the price of the Calcutta bag at the wharf in San Francisco without the duty.

Mr. PHILLIPS. Without the duty, 5 cents.

Mr. UNDERWOOD. Then there is a difference of 1.45 between the two bags?

Mr. PHILLIPS. Yes, sir; part of which is the duty that we have paid on the burlap cloth.

Mr. UNDERWOOD. I understand. Now, you say that practically all of the burlaps that are used in this country are imported—that is, the cloth?

Mr. PHILLIPS. Yes, sir; 99½ per cent.

Mr. UNDERWOOD. And 85 per cent of the bags that are sold in this country are manufactured here?

Mr. PHILLIPS. About that.

Mr. RANDELL. I would like to ask you a question: Give us what would be the price of the American bag if you had both bags and cloth on the free list, without the duty.

Mr. PHILLIPS. The American bag would cost us about 5.20 or about 5.40 against the Calcutta bag at 5 cents.

Mr. RANDELL. You are speaking about this special bag that is imported from Calcutta?

Mr. PHILLIPS. I am talking about that bag there. It is a fair sample bag.

Mr. RANDELL. That is the only competition you have there?

Mr. PHILLIPS. With the duty off both cloth and bag we could not compete at all with the imported article.

Mr. RANDELL. What percentage is that of all the bags used in the United States?

Mr. PHILLIPS. They are perhaps 15 per cent.

Mr. RANDELL. Then if the duty was off, as you say, the industry would go on in this country and have a large majority of the trade, would it not?

Mr. PHILLIPS. The burlap-bag industry is mixed in with the cotton-bag industry in such a way that the cotton-bag industry would con-

tinue anyway, even if they lost the burlap part of the trade. To what extent they would lose the burlap industry I can not say.

Mr. RANDELL. As I understand, it held up and built up in the years preceding the Dingley bill. Did not the business increase in this country during the years preceding the Dingley bill?

Mr. PHILLIPS. The business did increase because of an actual growth in the demand.

Mr. RANDELL. It did increase?

Mr. PHILLIPS. Yes; but it lost to the Calcutta bag. We did not hold our end against the Calcutta bag. But notwithstanding the small percentage that we lost to the Calcutta bag the business has been increasing every year.

Mr. RANDELL. You got a large per cent of the increase in this country and the growth of the business?

Mr. PHILLIPS. Yes, sir.

Mr. RANDELL. And you did not entirely absorb the whole market?

Mr. PHILLIPS. No, sir. The Calcutta bag came in.

Mr. RANDELL. It slipped in on the edges?

Mr. PHILLIPS. Yes, sir.

Mr. RANDELL. Now, with reference to helping American labor, would not your business, in your opinion, go on now if you got your goods, as you call it, your raw material, free, and the duty was taken off these bags? Would you not go on with your business?

Mr. PHILLIPS. Certainly. The cotton part of the business would go on, and I think we would be able to hold a part of the burlap business.

Mr. RANDELL. You would hold probably 85 or 90 per cent of the burlap business, would you not?

Mr. PHILLIPS. No, sir.

Mr. RANDELL. Would you hold 75 per cent of it?

Mr. PHILLIPS. No, sir. I do not know that we would be able to hold as much as half of it.

Mr. RANDELL. How much saving would that represent in a year to the farmers who raise the grain if, instead of paying 8 or 9 cents for bags, they could get them at 6 cents.

Mr. PHILLIPS. The saving is represented here by the Treasury statistics. The duty for the last few years has averaged about \$5,000,000 on burlaps.

Mr. RANDELL. That is, the duties that have been paid?

Mr. PHILLIPS. Yes.

Mr. RANDELL. What percentage of the trade was that which came in under the duty?

Mr. PHILLIPS. I do not quite understand your question.

Mr. RANDELL. That which was manufactured in this country paid no duty. It was only the imports.

Mr. PHILLIPS. We paid duty on the cloth.

Mr. RANDELL. Yes, I understand; but you did not pay duty on the bags that were manufactured here?

Mr. PHILLIPS. No, sir.

Mr. RANDELL. What would be the difference, what is the whole difference, in favor of the Treasury on those which are imported by having the duty on as it is, both on the bags and the cloth? What is the duty on bags?

Mr. PHILLIPS. I do not understand the question. I do not quite understand what it is you want to know.

Mr. RANDELL. It is this: We have a certain duty on the cloth and on the bags. Now, then, suppose we take that off. That makes a difference. What difference would it be on the bag?

Mr. PHILLIPS. You want to know the duty collected in a year, as taken from the statistics?

Mr. RANDELL. I guess you are not prepared to make the calculation.

Mr. GRIGGS. You said you were to be very accurate in the beginning of this testimony, so accurate as to reach 99½ per cent?

Mr. PHILLIPS. Yes, sir.

Mr. GRIGGS. You paid duty on the burlap cloth?

Mr. PHILLIPS. Yes, sir.

Mr. GRIGGS. You collected a duty on the bags?

Mr. PHILLIPS. Yes.

Mr. GRIGGS. Now, how much do you collect—that is, what profit do you put on an account of the duty? What does it amount to in a year? Of course it does not amount to the imports, because when they come in that goes to the Government; but how much do you get out of it—not your concern alone, but all of you? Because you are so mixed up that it is hard to tell you apart.

Mr. PHILLIPS. So far as the duty is concerned, we collect what we pay out exactly.

Mr. GRIGGS. Don't you collect the additional duty on burlap bags? They are not free. Don't you collect a difference between 5 cents and 6.40? I shall not say anything about it if you admit it. [Laughter.]

Mr. PHILLIPS. We collect our cost of manufacture, which, I suppose, is what you mean.

Mr. GRIGGS. Yes. That difference is 1.41 cents, or 1½ cents, or 1⅓ cents, from your standpoint. I will say 1½ and you can say 1⅓. Am I not correct on that?

Mr. PHILLIPS. We collect the duty we pay out, and we also collect the cost of manufacture in this country, and I think that covers the point you make.

Mr. GRIGGS. That is 1.40.

Mr. PHILLIPS. The duty is 1.40; we pay it out and get it back.

Mr. GRIGGS. You pay that out for labor?

Mr. PHILLIPS. That is duty.

Mr. GRIGGS. No; you do not pay any duty on the burlap bags.

Mr. PHILLIPS. We pay duty on the burlap cloth.

Mr. GRIGGS. I understand that, but not on the bags. After you have manufactured them, you collect on them from the consumers at large?

Mr. PHILLIPS. We collect back the duty that we have paid out, and we also collect the cost of manufacturing those with our American labor, which is more than the cost of manufacturing them in Calcutta with Indian labor.

Mr. GRIGGS. I understand you to say that if we destroyed your burlap industry you would continue the manufacture of cotton bagging?

Mr. PHILLIPS. I am not sure I understand what you mean by the term "cotton bagging."

Mr. GRIGGS. Let me know what you mean by "cotton bagging."

Mr. PHILLIPS. We do not manufacture jute bagging for covering cotton bales.

Mr. GRIGGS. What do you mean by that?

Mr. PHILLIPS. Unbleached cotton sheeting, the cotton bagging as it is ordinarily called in the South.

Mr. GRIGGS. But you use the term cotton bags. Are they made out of cotton cloth?

Mr. PHILLIPS. Yes, sir; but we do not make jute bagging for covering cotton bales.

Mr. GRIGGS. But you could continue to make cotton bags, even if your burlap industry was put on the free list, and still make money?

Mr. PHILLIPS. I hope so.

Mr. GRIGGS. Your concern is making money now, is it not?

Mr. PHILLIPS. No, sir.

Mr. GRIGGS. I am sorry to hear it.

Mr. PHILLIPS. However, we do usually make money, but we are not making any just now, because of the conditions, which are temporarily unfavorable.

Mr. GRIGGS. Have you not been able to buy cotton cheap enough?

Mr. PHILLIPS. I am not connected with the cotton interests. We have not been able to buy our burlap cheap enough. It has been a bad year, but we think it is only temporary.

Mr. GRIGGS. I hope so myself.

Mr. BOUTELL. To whom do you sell your bags—to what class of purchasers?

Mr. PHILLIPS. To the flour mills for flour and bran, to the fertilizer factories for fertilizer, to the grain men for their grain, to the wool men for wool, and to the glucose men for glucose, and to the sugar refiners for sugar bags, and to such a great variety of buyers that I could not begin to name them all.

Mr. BOUTELL. I understood Mr. Randell to refer to the price of bagging to the farmer, and there were some interrogatories about that. Do you sell directly to the farmers?

Mr. PHILLIPS. I think there is a good deal of direct buying by the farmers on the Pacific coast, more than there is east of the Rocky Mountains.

Mr. GRIGGS. He is the ultimate consumer.

Mr. BOUTELL. You do not sell to individual farmers—your factory?

Mr. PHILLIPS. Yes, sir. On the Pacific coast the farmers buy bags for their wheat.

Mr. BOUTELL. They come to the factory to buy bags?

Mr. PHILLIPS. Yes, sir.

Mr. BOUTELL. Then you do not sell to the jobbers or wholesalers?

Mr. PHILLIPS. We will sell to anybody who will buy.

Mr. BOUTELL. There must be a custom in the trade.

Mr. PHILLIPS. The custom in the trade is to sell to users of these bags, whoever they may be. As a rule it is not the farmer, although sometimes it is. On the Pacific coast, in the case of farmers buying bags for their wheat, it is the farmers. East of the Rocky Mountains I think there would be very few farmers buying bags directly.

Mr. BOUTELL. Take the farmers in Texas and in my own State of Illinois. From whom do the farmers of Texas and Illinois buy their bags, out on the rural districts?

Mr. PHILLIPS. If they wanted any bags, they would be likely to buy them from ourselves.

Mr. BOUTELL. They get them directly from the factory?

Mr. PHILLIPS. Yes, sir; directly from the factory.

Mr. BOUTELL. Will you give or mail, if necessary, to the committee the average price of bags in your factory from the fiscal year beginning July 1, 1894, to the fiscal year beginning July 1, 1897, inclusive, and from the fiscal year beginning July 1, 1904, to the fiscal year beginning July 1, 1907, inclusive?

Mr. PHILLIPS. From 1894 to 1897, price July 1?

Mr. BOUTELL. From July 1, 1894, to July 1, 1897, each year, the average price of your bags.

Mr. PHILLIPS. You mean a burlap bag?

Mr. BOUTELL. Let the price each year be for the same kind of a bag, the average price for each year of your standard bag, grain bag.

Mr. GRIGGS. Is that date the beginning of the grain crop?

Mr. BOUTELL. It is the beginning of the fiscal year, and that is a good date with which to compare other years. You spoke of certain bags that were being manufactured by prison labor.

Mr. PHILLIPS. Yes, sir.

Mr. BOUTELL. Can you tell the States in which the convicts are used for that labor?

Mr. PHILLIPS. Mr. Ames will answer that.

Mr. EVERETT AMES, of Portland, Oreg. Convicts are used for that labor in Walla Walla, Wash., and at San Quentin, Cal.

The CHAIRMAN. Have you concluded the statement yet?

Mr. PHILLIPS. Yes, sir.

Mr. FORDNEY. Mr. Phillips, did you not say that there were now contracted for delivery on the Pacific coast some 25,000,000 bags to be delivered from Calcutta within the next few months?

Mr. PHILLIPS. Yes, sir. They are to be shipped in February, March, and April.

Mr. FORDNEY. If the duty were reduced on the raw material and increased on that finished product would the American manufacturers get that trade?

Mr. PHILLIPS. If the changes we ask for are made, we would get a considerable part of it, but probably not all of it.

Mr. FORDNEY. How about the consumer? Would the price under these circumstances and conditions be increased to the consumer or lowered?

Mr. PHILLIPS. The price would be lowered to the consumer in comparison with to-day's price, because we have asked for a net reduction in rate on bags compared with the present rate.

Mr. FORDNEY. In considering all of the conditions as they are to-day, would the consumer be benefited?

Mr. PHILLIPS. The consumer would be benefited.

Mr. FORDNEY. And the American manufacturer would make the bags now imported from Calcutta?

Mr. PHILLIPS. Yes, sir. You have noticed that we have asked for a reduction in the rate of duty on burlaps more than on bags.

Mr. DALZELL. Thirty per cent, I understood you to say?

Mr. PHILLIPS. Yes, sir; and about 12 per cent reduction on the bags; 30 per cent on burlaps and 12 per cent on bags. The consumer

would still get his bags cheaper. We would be able to make at least a part of these bags that now come in from Calcutta.

Mr. FORDNEY. Would that materially change the revenues to the Government?

Mr. PHILLIPS. There would be a reduction, we estimate, of about \$1,500,000 in the revenue.

Mr. RANDELL. That would be a present to the manufacturers of this country, or would it be taken over by the producer of the raw material?

Mr. PHILLIPS. No, sir. Nearly all of that reduction would go to the consumer who buys the bags.

Mr. RANDELL. I say either the revenue would be taken away from the Government and would be given to pass through the hands of the manufacturers or it would not come out of the revenue and would come off the farmer, the producer of the raw material, which the sacks are used to cover.

Mr. PHILLIPS. It would be taken out of the government revenue and would pass through the hands of the bag manufacturers to the consumer. The consumer would undoubtedly get it.

Mr. RANDELL. You think the bag manufacturer would not detain any of it in his own possession unduly? [Laughter.]

Mr. PHILLIPS. He would if he could, but he can not.

Mr. RANDELL. He would have a good opportunity if he had a combination or understanding with reference to prices, would he not?

Mr. PHILLIPS. There is too much competition for that. He can not do it. The meeting we held in New York a couple of weeks ago to prepare for coming down here was the first time the bag men have gotten together for many years.

Mr. RANDELL. But they have got together, and having got together, don't you think they would hold a good part of that?

Mr. PHILLIPS. No, sir.

Mr. RANDELL. Don't you think the nearer they get together the less they will cut prices and the more they will keep up the prices?

Mr. PHILLIPS. No, sir.

Mr. RANDELL. Was there ever before any better condition in which to have an understanding about fixing the prices than there has been recently?

Mr. PHILLIPS. I do not know about that.

Mr. RANDELL. You think it would be safe to let you have the money from the Treasury and pass it on to the farmer?

Mr. PHILLIPS. Yes.

Mr. RANDELL. Don't you think it would be better for the Government not to let you act as trustee, but to pass it on to the farmer direct? Candidly, don't you think it would be better not to let you have the trusteeship?

Mr. PHILLIPS. I think the consumer generally would be more willing to leave it in the hands of the bag men.

Mr. RANDELL. You think the farmers would be willing to leave it in the hands of the manufacturer in place of his getting it first?

Mr. PHILLIPS. I think the consumers of the United States would be glad to tell you that they would prefer to leave it in the hands of the burlap manufacturers.

Mr. RANDELL. And yet you say that the burlap manufacturers would swipe it if they could, but that competition will prevent it. Is not that irreconcilable with the other statement?

Mr. PHILLIPS. I think they would probably get part of it if they could, the same as any other good business men would keep a part of the profits if they can.

Mr. RANDELL. How is that?

Mr. PHILLIPS. All business men in manufacturing or commercial business will make a profit if they can.

Mr. RANDELL. Do you not believe it would be better, in the legislation contemplated, to give the farmer his rights direct, without leaving it to the honesty of the burlap-bag manufacturer, who would swipe it if he could? Don't you think so?

Mr. PHILLIPS. I think, so far as possible, yes.

Mr. RANDELL. I agree with you fully. That is all.

Mr. FORDNEY. The gentleman intimates that if this \$1,500,000 of revenue is lost to the Government the farmer must make it up to the Government on some other article. Now, if the farmer pays it anyway, would it not be much better for the farmer to get it back on those jute bags, if he did have to pay on some other line, than to let this money go to Calcutta, as it now goes?

Mr. RANDELL. I did not say that.

Mr. PHILLIPS. Yes, sir; I agree with you.

Mr. FORDNEY. The American wheat grower would get that much more market for his product.

Mr. RANDELL. The gentleman will pardon me. He has expressed his own idea, rather than mine. I do not think it necessary to rob the farmer at all. I do not think it necessary to rob him at all.

Mr. FORDNEY. I say if this \$1,500,000 duty was lost to the Government the farmer would have to make it up in some other way to the Government.

Mr. RANDELL. I say it would either go to the farmer in decreasing the amount, or else the manufacturer would hold it.

Mr. FORDNEY. If I misunderstood you, I beg your pardon. I did not mean to misquote you.

Mr. PHILLIPS. Mr. Chairman, we are very anxious to have the present compound of ad valorem and specific duty changed into a simple specific duty. The work is very much increased and there are great complications and expenses to us and to the Government in connection with the ad valorem duty on burlaps.

The CHAIRMAN. While the committee would be very glad to make a specific duty in any case where they can, they would want very good information always, so that in making the specific duty we would not raise it above the equivalent ad valorem now on the goods; and if you propose any such schedule as that, I hope you will furnish us fully the facts on which it is based, so that we can judge whether it is going to raise the duty or not, and what effect it will have on the importations.

Mr. GRIGGS. Mr. Phillips, suppose our friends at the other end of the bench were determined to make it a specific duty. You understand we on this side have nothing to do with this thing except to examine witnesses. [Laughter.] Suppose they should determine that. Would it make burlaps any cheaper to the consumer?

Mr. PHILLIPS. No, sir. The kind of duty does not change the price.

Mr. GRIGGS. You say it is a lot of work and you want to get rid of the labor; and yet you want to protect the labor one moment and get rid of it the next moment.

Mr. PHILLIPS. It would save loss and simplify our doing business. The total expense, I suppose, is rather small, but——

Mr. GRIGGS. But it permits you to work the farmer. It is not sufficient, however, to give anybody the benefit of it?

Mr. PHILLIPS. The annoyance of it is very great. It makes an expense to us that we can not get back from the consumer, paying more duty than we should when we purchase. When the price goes up we have to pay duty on the market value at the time of shipment, but when the price goes down we have to pay duty on the cost price; and if we buy and sell on future delivery without figuring on paying any extra duty, because we do not know whether there is going to be any, then the market goes up and we have to pay extra duty, and that turns the transaction into a loss instead of a profit. We can not get that extra duty back from our customer, and we lose that ourselves. It is one of the incidents to an ad valorem duty.

Mr. GRIGGS. It would resolve us right there into an arbitration board between you and your customers, in order to save you trouble and loss and annoyance. Is that right?

Mr. PHILLIPS. No, sir.

Mr. GRIGGS. To speak seriously, now, you said a few moments ago that the great consumers of burlaps in the United States were perfectly willing to leave in your hands the matter of profit or loss to them if this duty were changed. Am I correct in that statement?

Mr. PHILLIPS. Yes, sir. I will make that statement.

Mr. GRIGGS. Yes. Now, who are the great consumers?

Mr. PHILLIPS. We have got one of them back here. We have got a gentleman sitting back here who is one of the largest, if not the largest, single consumer of burlaps in this country.

Mr. GRIGGS. What does he put in the bags?

Mr. PHILLIPS. He happens not to be a bag man. He makes roofing. He takes a piece of burlap 30 inches wide and covers it with asphalt and makes a roofing. He is such a large consumer of burlaps that, although I am very well acquainted with the trade, I can not think of a single concern that equals it.

Mr. GRIGGS. How many houses does he cover with it? You say he is the greatest consumer?

Mr. PHILLIPS. He makes roofing out of it, and sells the roofing.

Mr. GRIGGS. Then the man who buys the roofing is the consumer, is he not?

Mr. RANDELL. He is the ultimate consumer.

The CHAIRMAN. Use the word "ultimate," and protect yourselves. [Laughter.]

Mr. GRIGGS. Yes. With apologies to my friend Mr. Boutell, of Illinois, the ultimate consumer is the man who builds the house, and you take the word of the gentleman who sells him the burlaps with which to cover the house that he is perfectly satisfied to leave the question of profit and loss in your hands?

Mr. PHILLIPS. The man who buys the roofing does not know anything about the burlap. [Laughter.]

Mr. GRIGGS. Of course I have to represent those folks, and you folks have got people here who are not only statisticians, but experts, and when we ask you a question that carries the matter a little further toward the ultimate consumer, you say, "There is another gentleman standing here who stands closer to the ultimate consumer than I," but I am asking you the question now. Is it not true that the ultimate consumer is the man who finally has to pay this difference?

Mr. PHILLIPS. Yes; that is true.

Mr. GRIGGS. And you never have heard from him, whether he is satisfied or not?

Mr. PHILLIPS. No, sir.

Mr. COCKRAN. He does not quite know how he is hurt?

Mr. PHILLIPS. No.

Mr. LONGWORTH. How much did you say were the importations of burlaps for bags?

Mr. PHILLIPS. About 75 or 80 per cent.

Mr. LONGWORTH. What else is it used for?

Mr. PHILLIPS. For wrapping bales of cotton goods, wrapping all kinds of materials that are put up in bales. All the cotton mills buy burlaps to cover their bales, and not only cotton mills, but a lot of other different kinds of mills. It is used by the packers very largely for packing meats. It is used by nurserymen for wrapping trees, and it is used in every case where a cheap, coarse, strong cloth is needed, and where cheapness is more of a factor than quality. The essential thing about burlaps is that they are cheap. There is a very large use of them, because they are the cheapest thing that can be bought for wrapping packages.

Mr. GRIGGS. Therefore they are a good thing to tax? [Laughter.]

The CHAIRMAN. Is there anything further?

Mr. GRIGGS. He has not answered my question yet.

The CHAIRMAN. I understood you were satisfied.

Mr. GRIGGS. I am satisfied if he will not answer.

Mr. PHILLIPS. I should say that is not a good reason for taxing burlap. There are two reasons: First, the Government needs the revenue, and, second, although there is no manufacture of burlaps in this country that is worth mentioning, being less than one-half per cent of the consumption, there is a manufacture in this country of jute bagging for cotton bales. It is a coarse, heavy stuff, quite different from burlaps, and ordinarily they do not come in competition with each other; but if burlaps were put on the free list there is a probability that some kind of burlaps might come into competition with the jute bagging.

Mr. GRIGGS. You do not want that to happen?

Mr. PHILLIPS. We are protectionists and we do not want to interfere with our friends who make the cotton bagging.

Mr. GRIGGS. You want to take care of yourselves or your friends, and manufacture all that is needed to go around the cotton. Why should you not be equally solicitous about your friends who go out and make the cotton? That is your friendliness—you want to tax him but not the other?

Mr. PHILLIPS. You refer to the southern cotton planter—the planter of the South?

Mr. GRIGGS. Yes; of course.

Mr. PHILLIPS. Is not the high price that cotton brings and has been bringing sufficient to enable him to get his profit?

Mr. GRIGGS. It is not paying the cost of production to-day. I know, because I have had the sorrow to take some of my salary and pay some of my debts with it this year.

Mr. PHILLIPS. I suppose different planters have different costs of production.

Mr. GRIGGS. It is pretty nearly the same. We have the same standard of labor and the same methods, substantially. Now, you do not want to come into competition with your jute brethren who cover the cotton, but you do want to come into competition and tax the poor devil who makes it? Is that right?

Mr. PHILLIPS. We leave that for the committee to decide.

Mr. GRIGGS. All right. Now, is it not true that you get your rake off on the grain men?

Mr. PHILLIPS. I think it is true that we give the grain men excellent service by giving them a good article at a minimum price.

Mr. GRIGGS. I will change the words "rake off" to "profit," a more dignified word. You get your profit out of the grain men?

Mr. PHILLIPS. Partly; yes, sir; they are consumers.

Mr. GRIGGS. And therefore you do not desire to interfere with your friends, who get their profit—as my friend Mr. Clark would say, a "rake off," but I will not call it that—off the cotton men, the cotton producers, because the Lord knows we are in the hands of a lot of thieves all the world over. I am not referring to you. [Laughter.]

Mr. PHILLIPS. Thank you. [Laughter.]

Mr. GRIGGS. Is that right? I did not mean "thief" literally. I leave that out. I mean you get your profit off the grain men, and you do not want to bother the men who get their profit off the cotton men. Is not that correct?

Mr. PHILLIPS. No, sir; it is not correct.

Mr. GRIGGS. Why don't you want to interfere with your jute-bagging brethren?

Mr. PHILLIPS. We do not interfere with our jute-bagging brethren because we are believers in the general policy of protection.

Mr. GRIGGS. To whom?

Mr. PHILLIPS. To any industry that can be properly built up in this country; and if our Government makes a mistake in giving protection to an industry that ought not to be built up in this country, yet, once established, we believe that the protection should be continued. I am expressing my own personal opinion now.

Mr. GRIGGS. I thought everything you said was your own personal opinion. You have not expressed anybody's opinion but your own this morning, have you? If you have, I would like you to go back and tell where you have stated somebody else's and get a correct exposition of your own opinion.

Mr. PHILLIPS. The request for changes of rate are made by the bag manufacturers, who have answered to some of the questions asked, but some were not asked at the meeting, and I can not speak for them.

Mr. GRIGGS. Wherever you speak voluntarily you are speaking for the bag makers, and wherever you speak involuntarily you are speaking for yourself? Is that right?

Mr. PHILLIPS. To some extent.

Mr. GRIGGS. That is square. Now, I want to know, as your own personal opinion, without regard to the bag manufacturers' or anybody else's opinion, if you do not believe it is a good idea that you should hold the profit on the grain growers and let the jute-bagging manufacturers hold the profit on the cotton growers?

Mr. PHILLIPS. I do not understand what you mean by the words "hold the profit."

Mr. GRIGGS. Well, get the profit. You understand that?

Mr. PHILLIPS. You mean it is a good idea for us to attend to our own business and give good service and get the profit on it?

Mr. GRIGGS. It is this: It is a good idea for you to work this side of the street, while they work that side of the street. [Laughter.]

Mr. PHILLIPS. I suppose that is another way of saying it is a good idea for every man to attend to his own business?

Mr. GRIGGS. No. You know what I mean. You have been a very intelligent witness, and you have told a lot of truths here, and you do not appear willing to tell anything else, so that when I ask you for a direct answer, where the answer would apparently hurt you, you avoid it. That is all right, because you are not sworn, as a witness in court is, to tell the whole truth.

Mr. PHILLIPS. I understand what you want me to say.

Mr. GRIGGS. I do not care what you say.

The CHAIRMAN. If that is so, we had better not waste time.

Mr. GRIGGS. I want an answer, but I do not care what he says. I want him to say something. He can say "yes" or "no."

The CHAIRMAN. If you [addressing the witness] can answer that question, answer it.

Mr. PHILLIPS. I can not answer it "yes" or "no." What is the question, once more?

The CHAIRMAN. I understand he says he can not answer you.

Mr. GRIGGS. The witness asks me to put the question once more, and, with the chairman's gracious permission, I will do so. [Laughter.]

The CHAIRMAN. If you think you can put it again, go on. [Laughter.]

Mr. GRIGGS. All right. As I understand your testimony here this morning, your idea is this: You do not want to interfere with your jute brethren in the profits they are making off the cotton grower. Is not that true, that you prefer and it is your idea that it is better for you and your jute-bagging brother both that he get his profits from the cotton grower and you from the grain grower, and not interfere with one another? Is not that true, yes or no?

Mr. PHILLIPS. No, sir. As you have stated it, it is not correct.

Mr. DALZELL. Let us go along to something that is relative to the question.

The CHAIRMAN. I hope the gentleman will keep on and find out what the farmer does with the bag; whether he burns it up, or sells it, or what, and then it would be pertinent to inquire, perhaps, how many votes the farmer has. That might throw light on the question. [Laughter.]

Mr. GRIGGS. I think the gentleman has taken an interest in that, too, during his life.

The CHAIRMAN. I sometimes think it is of more consequence than certain other things.

Mr. GRIGGS. You say 75 per cent of your business is in jute bags for grain purposes?

Mr. PHILLIPS. No, sir; that was not the statement. The statement was that 75 per cent of the burlaps that come to this country are manufactured into jute bags and sold.

Mr. GRIGGS. They are for the purpose of carrying goods to the ultimate consumer, are they not?

Mr. PHILLIPS. Sometimes; to carry them anywhere.

Mr. GRIGGS. Does not the ultimate consumer get those bags?

Mr. PHILLIPS. Somebody gets them.

Mr. GRIGGS. The man who uses what is in the bags finally pays for the bags, does he not?

Mr. PHILLIPS. We do not know that. He probably does. The man who gets the stuff in the bags probably pays directly or indirectly the cost of the bag.

Mr. GRIGGS. Exactly. It does not matter which way he pays it. Now, then, you get your largest revenue from the grain grower, don't you?

Mr. PHILLIPS. No, sir; I can not say that.

Mr. GRIGGS. From the corn and wheat and oats growers?

Mr. PHILLIPS. If you include the flour mills and all the different kinds of grain, that would probably be true; yes.

Mr. GRIGGS. Now, then, you do—I do not want to use that language again, but it is necessary—now you do work that side of the street, don't you? That is where your business is?

Mr. PHILLIPS. That is where our business is; yes.

Mr. GRIGGS. All right. Then your jute-bagging brother does not interfere with the grain grower or the flour mill, but he makes his profit, if he makes any—and, of course, I do not insist that any of you manufacturers are making a living [laughter]—

Mr. PHILLIPS. We do make a living.

Mr. GRIGGS. I am glad to hear that. You are one of the few who admit it. The jute brother makes his profit, if he makes any, from the cotton grower, does he not?

Mr. PHILLIPS. We do not know who he makes it from or whether he makes any or not. His product goes ultimately to the cotton grower.

Mr. GRIGGS. Yes; that is where it goes?

Mr. PHILLIPS. Yes.

Mr. GRIGGS. Then he works that side of the street?

Mr. PHILLIPS. That is the business he attends to.

Mr. GRIGGS. I mean that is his province. He works that side of the street?

Mr. PHILLIPS. That is his business.

Mr. GRIGGS. And he works that side and you work the other side of the street, and therefore you do not want to have competition?

Mr. PHILLIPS. He has his own trade and affairs to attend to and we have our own affairs and trade to attend to.

Mr. GRIGGS. That is all. I am through.

Mr. CALDERHEAD. You do not know which side of the street the cotton grower works, do you? [Laughter.]

Mr. PHILLIPS. No, sir; I am not much acquainted with cotton.

STATEMENT OF EVERETT AMES, REPRESENTING AMES, HARRIS, NEVILLE COMPANY, PORTLAND, OREG., WHO FAVORS DIFFERENTIAL BETWEEN BURLAPS AND BAGS.

MONDAY, *November 30, 1908.*

The CHAIRMAN. What is your residence, Mr. Ames?

Mr. AMES. My residence is in Portland, Oreg. We also have a factory at San Francisco.

The CHAIRMAN. Proceed.

Mr. AMES. I feel, Mr. Chairman and gentlemen, that this subject has been somewhat long drawn out, and I only desire to direct the attention of the committee to the differential that we suggest between the burlap and the bags. This differential is very important to the entire United States, but it applies with particular importance to the Pacific coast, because of the unusual conditions existing in that locality. The grain crop of the Middle West is handled in bulk through elevators. The grain crop of the West beyond the Rocky Mountains is handled in sacks, because it is impossible there to handle grain in bulk. Therefore there are millions of bags known as the "Calcutta grain bags" made in India and imported only from Calcutta and used on the Pacific coast.

This business represents to the bag manufacturers the largest volume of business in their territory, and yet it is a business that they can compete for only to a very limited extent against the imported bag. Under the McKinley bill the differential between the burlap and the bags was three-eighths of a cent a pound. There was a very slight protection at that time, and a few grain bags were manufactured on the Pacific coast. The Wilson bill, which followed, offered no protection at all to the manufacturers, and therefore no bags of that kind were manufactured on the Pacific coast. Under the Dingley bill we have a quarter of a cent a pound protection on the specific duty, and the ad valorem duty is the same, but on account of the slightly increased value of the Calcutta bag the protection we have to-day would be equivalent to three-tenths of a cent per pound if reduced to the specific basis. We have asked that this differential be increased to half a cent a pound—that is, that the duty on the burlap out of which the bags are made be assessed at 1 cent per pound and the duty on the bags be placed at 1½ cents per pound. That is a little more than the rate under the McKinley tariff.

In the first place, it is a well-known fact that the cost of labor in the last seven or eight years has increased from 15 to 20 per cent on the Pacific coast, and the second reason is that since the passage of the McKinley bill they have introduced in Calcutta machinery for manufacturing those bags which were formerly made by hand labor. The protection we ask would not prohibit the importation of the Calcutta bag, although it would extend to the manufacturers on the Pacific coast a little larger amount of protection. I would say that as to this particular bag alone, known as the "Calcutta bag," there are between forty and fifty million of these bags used annually on the Pacific coast, and I feel fully warranted in saying that not more than from 5 to 7 per cent of the bags used in that part of the country are manufactured by the local bag manufacturers on the Pacific coast.

This is a question to which we have given considerable deliberation, and we feel from the results of our investigation that we are fairly warranted in asking that this differential be decreased to one-half cent a pound. More figures could be given, but I feel that they have been fully given in the statement already placed on file here.

Mr. LONGWORTH. What effect would it have on the revenue?

Mr. AMES. It would tend to reduce the revenue on the burlap and bags probably to the extent of \$1,500,000. The revenue in 1907 was practically \$5,000,000, in round numbers.

Mr. UNDERWOOD. Do you agree with what the former witness stated, that the amount of burlap manufactured in this country equaled about 85 per cent of the consumption?

Mr. AMES. I only speak for the Pacific coast, because I have no acquaintance with the other territory.

Mr. UNDERWOOD. If what he said is correct, that the manufacture in America amounts to 85 per cent of the entire home consumption, do you think you are entitled to a further protection? Does not that show that the American industry is fully protected already?

Mr. AMES. No; and this is the reason: East of the Rocky Mountains there is a large demand for burlap bags of large sizes and widths, not running into any great volume of any one kind, and for that reason, possibly, an even slighter differential might operate as a protection to the eastern bag manufacturer, because the Calcutta people are not prepared to meet that kind of competition, and the question of freight to interior points, and the difficulty of handling the small volume of business of any one kind, denies it to the Calcutta markets.

Mr. UNDERWOOD. Then you think that because there happen to be some burlap-bag manufacturers in this country ill-advisedly located, so far as the trade is concerned, that we ought to put what is practically a prohibitive duty upon the entire industry, giving the American manufacturer absolute control, who to-day has 85 per cent of the home market, and without any revenue to the United States?

Mr. AMES. But I do not consider the duty prohibitive.

Mr. UNDERWOOD. What do you call prohibitive?

Mr. AMES. One cent per pound difference between the burlap and the bags would probably be a prohibitive duty.

Mr. UNDERWOOD. How much do you want the home manufacturer to have before you call it a prohibitive duty?

Mr. AMES. I think if the home manufacturer had one-half cent per pound protection it would not be an unreasonable protection.

Mr. UNDERWOOD. The gentleman who preceded you stated that the home manufacturer had 85 per cent of the business.

Mr. AMES. That proportion may be true of the home manufacturer east of the Rocky Mountains, but it is not the case west of the Rocky Mountains.

Mr. UNDERWOOD. But following out that theory, you do not expect us to put a duty on lemons so that they may be raised in Maine instead of in California, do you?

Mr. AMES. But if a higher duty will improve the conditions in the West as well as improve them in the East, I think then that we have the right to ask for it.

Mr. POW. Would the increased duty that you ask for make the price of the finished product higher or lower?

Mr. AMES. Taking the duty as it exists now under the Dingley law, then the tariff that we suggest would decrease the price to the consumer somewhere from 12 to 15 per cent.

Mr. POU. Do you mean to say that you would sell from 12 to 15 per cent less than you sell now?

Mr. AMES. Yes.

Mr. GRIGGS. By increasing the duty?

Mr. AMES. By decreasing the duty. The present duty on the Calcutta bag is 15 per cent ad valorem, and seven-eighths of a cent a pound. I want it decreased to $1\frac{1}{2}$ cents per pound, which is practically 12 to 15 per cent, and that would decrease the price of the bag the same amount.

Mr. GRIGGS. Suppose you put it on the free list?

Mr. AMES. Then we could not manufacture. We could not manufacture under the Wilson bill; under that bill we did not manufacture any of these bags.

Mr. GRIGGS. Do you mean that if you had raw material free that you could not manufacture bags?

Mr. AMES. Not this particular bag. We did not manufacture one of them under the Wilson bill. Mr. Phillips has made a suggestion that I want to make a correction. The change in the duty we suggest would decrease the duty 12 per cent, not the price of the bag 12 per cent.

Mr. GRIGGS. Of course, I understand that.

Mr. POU. Do you mean to correct that statement?

Mr. AMES. Yes, sir.

Mr. GRIGGS. Mr. Phillips did not say anything like that.

Mr. POU. You say now that there would be a decrease to what we call the ultimate consumer from 12 to 15 per cent?

Mr. AMES. The decrease in the amount of duty would be from 12 to 15 per cent. The present duty is equivalent to about 25 per cent ad valorem, and with the proportion that I have indicated it would make the reduction to the consumer 3 or 4 per cent.

Mr. POU. Would the farmer get his bags cheaper?

Mr. AMES. Slightly, but only slightly; between 3 and 4 per cent, under the recommendation that we have proposed.

Mr. POU. You are sure that the manufacturer would not keep the 3 or 4 per cent in his pocket, are you?

Mr. AMES. We could not. Our price is fixed in competition with the Calcutta bag, and the differential that we suggest would barely permit us to manufacture. It would not permit us to get anything like a good profit, and at certain times not even a fair profit.

Mr. GRIGGS. Why do you not want your raw material on the free list?

Mr. AMES. If the raw material was on the free list, and the differential on the bags was made sufficient, we could still manufacture.

Mr. NEEDHAM. What proportion of the bags on the Pacific coast is prison made?

Mr. AMES. Well, there are between forty and fifty million bags used, depending upon the crop. The penitentiary at San Quentin makes in the neighborhood of 3,000,000 bags and the penitentiary at Walla Walla makes in the neighborhood of one and one-half million bags.

Mr. NEEDHAM. What effect would that have on the price?

Mr. AMES. The price has not been materially affected, and it would not be affected excepting in case of a short crop when prison bags unsold have been sufficient to affect the price at the end of the season.

Mr. NEEDHAM. Have not prison-made goods been put on the market at a lower price than the manufacturer's price?

Mr. AMES. The prison-made goods at some times have been higher; for instance, last year they opened their price much higher than the ruling price, but the Walla Walla penitentiary lost heavily on their bags last year.

Mr. NEEDHAM. What per cent of the market is supplied by the prison labor?

Mr. AMES. I figure that possibly 10 per cent is supplied by prison bags. Five to 7½ per cent is supplied by bags of local manufacture. You understand that the prison brings in the raw jute and weaves its own burlap. It does not bring in the burlap.

Mr. BOUTELL. Who fixes the price of convict-made bags?

Mr. AMES. The price is fixed by the board of directors at San Quentin, and at the Walla Walla penitentiary the price is fixed by a board known as the "board of control."

Mr. BOUTELL. Is there ever any attempt made to undersell the regular manufacturers of these goods?

Mr. AMES. They disregard the market entirely. In San Francisco, in California, they are only allowed to sell to actual consumers in lots of 5,000 each, wherever the bags go. In the State of Washington the bags are allotted to the several counties in the State, and only consumers who make affidavit that they are actual users of the bags are allowed to take them up to the 1st of July. In that State, after the 1st of July, anybody can buy bags from the penitentiary; but we can not meet the competition of these bags. We simply pay no attention to their prices.

Mr. BOUTELL. Does such a system prevail anywhere else excepting in these two States?

Mr. AMES. The Pacific coast is the only section in the United States that uses prison-made grain bags made of jute.

Mr. CLARK. Who furnishes the grain bags in the Mississippi Valley?

Mr. AMES. I do not feel competent to speak on that; I do not know of my own knowledge.

Mr. CLARK. Do you furnish any of them?

Mr. AMES. No; we do not furnish any. We confine our trade principally to Washington, Idaho, Oregon, California, and Nevada.

Mr. CLARK. I understood you to say awhile ago that if we cut down the tariff there would be a saving of 12½ per cent to the consumer.

Mr. AMES. But I corrected that statement. I said that it would amount to a reduction of duty to about 12 to 15 per cent, and a saving to the consumer of 3 to 4 per cent.

Mr. CLARK. What would become of the other portion that is saved?

Mr. AMES. That is only the saving on the duty. The duty only bears a certain relation to the total value of the goods. The duty, roughly speaking, is to-day 25 per cent of the total value, and 12 per cent of 25 per cent is 3 per cent in round numbers. I am asking that the differential be increased. We ask that the duty be assessed at 1½

cents a pound specific on the bags and a duty of 1 cent per pound specific on the burlap.

Mr. CLARK. That is on raw material?

Mr. AMES. That is on raw material.

Mr. LONGWORTH. And that is a reduction of how much?

Mr. AMES. Substantially 30 per cent on the present market value on the burlap.

Mr. LONGWORTH. And the reduction on the manufactured article, to how much?

Mr. AMES. Between 12 and 15 per cent.

Mr. GAINES. Will you explain to me how it is that a reduction of 12 or 15 per cent on the duty of the manufactured article amounts to 3 or 4 per cent to the consumer? I do not quite catch that.

Mr. AMES. Because the duty under the present tariff is only about 25 per cent of the total value of the article; and then 12 per cent of 25 per cent would bring it, in round numbers, to 3 per cent, which would be the relation that it would bear in the value of the article, including other elements entering into the cost.

Mr. GAINES. Whom do you sell the manufactured article to?

Mr. AMES. To dealers in grain, to the various grain warehouses in the country, and for the last two or three years to the various farmers' organizations that have been formed throughout the Northwest. We have made sales direct to those organizations.

Mr. GAINES. Do you not sell to the jobbers?

Mr. AMES. Yes; we sell to jobbers—though, in speaking of the bags, we hardly sell, strictly speaking, to the jobber. We sell to the flour mills and grain warehouses, who in turn sell to the consumers or to the various organizations of farmers, farmers who form themselves into farmers' unions, and we sell sometimes to them direct.

Mr. CLARK. What you are really up to is to get a higher tariff on the finished product and a lower tariff on the raw material?

Mr. AMES. We are advocating the increase of the differential on burlaps and bags to one-half cent a pound.

Mr. CLARK. Well, that is the same thing; it doesn't make any difference whether you call it a differential or not.

Mr. AMES. We are advocating the lowering of the duty on the Calcutta bag.

Mr. GAINES. It is not a higher tariff, but it is a larger differential and a lower tariff.

Mr. CLARK. But that is exactly what it amounts to. This man and his confrères in business, under his proposition, will get more protection under that arrangement than now.

Mr. AMES. But we are not able to manufacture under the present protection.

Mr. CLARK. You are manufacturing, are you not?

Mr. AMES. To a limited extent only. The bag manufacturers on the Pacific coast are not doing more than 5 to 7 per cent of the volume of business of any bag manufacturer in Calcutta.

Mr. CLARK. When did you begin to manufacture?

Mr. AMES. We have not been able to under the Dingley law to any great extent.

Mr. CLARK. And you were not under the Wilson law?

Mr. AMES. We did not even try to.

Mr. CLARK. When were you manufacturing?

Mr. AMES. To a limited extent under the McKinley bill, when the Calcutta bag was made by hand and labor was not as high on the Pacific coast as it is to-day.

Mr. CLARK. Your free-raw-material proposition is simply another way of getting more tariff for the manufacturer. That is all there is to it one way or the other?

Mr. AMES. But we are not asking for free raw material.

Mr. CLARK. Suppose we gave you free raw material, could you cut down the price of bags to the consumer?

Mr. GRIGGS. He says he does not want it.

Mr. CLARK. I do not know whether he wants it or not, but suppose the committee of Congress thought, in their wisdom, that it was proper to put your raw material on the free list, could you cut your tariff down on the finished product more than you are proposing to do it here?

Mr. AMES. We could not manufacture the finished product unless there was a differential between the burlap and the bag.

Mr. CLARK. Well, which is your raw material?

Mr. AMES. The burlap is our raw material. We do not weave any jute. The cloth is our raw material.

Mr. CLARK. Suppose we put the cloth on the free list, then could you not afford to cut down the differential that you are getting?

Mr. AMES. We would have at least the same differential, because the same conditions would exist exactly.

Mr. POU. Is your company a corporation?

Mr. AMES. Yes.

Mr. POU. What is the capital stock of it?

Mr. AMES. Four hundred and thirty-one thousand dollars.

Mr. POU. What dividends have you been paying?

Mr. AMES. We have not paid any dividends since the fire and earthquake in San Francisco.

Mr. POU. Did the earthquake injure your business?

Mr. AMES. Our factories there were totally destroyed.

Mr. POU. Prior to the earthquake what dividends were you paying?

Mr. AMES. We have paid dividends of 6 per cent, although sometimes we have earned more than that.

Mr. POU. Up to the time of the earthquake you were paying annual dividends of 6 per cent, with an occasional increase over that?

Mr. AMES. Some years we were making a profit, and some years we were not, but we had always paid a dividend of 6 per cent up to the time of the earthquake in San Francisco.

Mr. POU. Did any of your stock sell below par prior to the earthquake?

Mr. AMES. It is a close corporation, and no stock is on the market. It never has been sold excepting among its members.

Mr. GRIGGS. Is every stockholder on a salary?

Mr. AMES. Only those stockholders who are actively engaged in the business of the corporation.

Mr. GRIGGS. As I understand it, you want a differential between the ordinary times and the earthquake times?

Mr. AMES. I want a differential to enable us to manufacture, which we have not been able to do. The earthquake has absolutely nothing to do with it.

Mr. GRIGGS. The earthquake seems to be the only thing that stopped your dividends.

Mr. AMES. We are engaged in other lines besides burlap wheat bags.

Mr. GRIGGS. Oh, I see; it is a side line.

Mr. AMES. No; it would be our principal line if we were afforded adequate protection.

Mr. GRIGGS. Well, that would make a principal line of anything.

Mr. AMES. That may be true, if the volume is large enough.

Mr. GRIGGS. That is the logic of the situation.

Mr. POU. Up to the time of the earthquake you were getting along very well indeed, and that was the cause of the disaster to your business; is not that the fact?

Mr. AMES. Oh, yes; but at the same time these bags offered and still offer the largest volume of business to the bag factory on the Pacific coast. We have the machinery, the equipment. There are six bag factories on the Pacific coast, with an investment of a million and a half at least and employing a large number of operators, which number could be increased.

Mr. POU. Six per cent is a pretty fair return on stock in a corporation such as yours, is it not?

Mr. AMES. I do not think so, not when you consider the hazard. We are constantly dealing in a fluctuating market, and our chances for loss are great.

Mr. GRIGGS. Do you not think after all that it is the farmer who deals in fluctuating markets? Do you know the farmer?

Mr. AMES. The farmer is one of my principal customers indirectly.

Mr. LONGWORTH. Do you make bags out of anything excepting the burlap cloth?

Mr. AMES. We make cotton bags.

Mr. LONGWORTH. I mean of jute.

Mr. AMES. Oh, no; we have nothing but the burlap—the finished article, the cloth.

Mr. CLARK. Have they ever found anything that is really a competitor to this kind of a bag that you make?

Mr. AMES. It is the cheapest bag that could be used for the purpose; commercially it is the cheapest fabric that could be used.

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STATEMENT OF E. W. MENTE, BOARD OF TRADE BUILDING, NEW ORLEANS, LA., RELATIVE TO BURLAP BAGS.

MONDAY, *November 30, 1908.*

Mr. MENTE. Mr. Chairman and gentlemen, I would like to appear now upon the burlap and bag question, if it is proper to do so.

Mr. DALZELL. That is what we are talking on now.

Mr. MENTE. Burlap and bags.

The CHAIRMAN. That is what your name is down on the list for. Do you want to talk about them?

Mr. MENTE. It is immaterial to me. I may ask, whether on burlap and bags, or on bagging?

The CHAIRMAN. It is immaterial to the committee, if you will give us some information.

Mr. GRIGGS. Why not wait until we get to the jute-bag schedule?

The CHAIRMAN. He may proceed with what he has to say on bur-lap and bagging.

Mr. MENTE. I am a manufacturer of bags in New Orleans. The name of our firm is Mente & Co. We import the cloth from Calcutta, and a little of it from Dundee, Scotland. I am one of the 79 present of which Mr. Bemis told you, and Mr. Phillips, as to what rate of duty we would desire, and I indorse everything that Mr. Phillips had to say. So far as Mr. Ames goes, of course, I do not come in competition with them on the Pacific coast. I do not know so much about his part of the business, but we feel that under the present rates the bag manufacturer, as a manufacturer, has no protection at all. There is no protection in the proper sense of the word. There is a differential now of about a quarter of a cent a pound as against the cloth and the bags, which is no protection to the bag manufacturer.

Mr. CLARK. How much does one of these bags weigh?

Mr. MENTE. About half a pound. There are grain bags of all kinds—the wheat bag, the oat bag, the corn bag; one holds 2 bushels, one 3 bushels, one 5 bushels, and one 6 bushels.

Mr. CLARK. How much does the 1-bushel bag weigh?

Mr. MENTE. I do not know of any 1-bushel bags, but the 2-bushel bag weighs about three-quarters of a pound.

Mr. CLARK. And a 1-bushel bag would weigh half of that?

Mr. MENTE. Not necessarily; it would all depend upon the weight of the cloth.

Mr. CLARK. I am talking about the same weight of cloth.

Mr. MENTE. We are not making a 1-bushel bag.

The CHAIRMAN. Did you ever see one?

Mr. MENTE. Yes.

Mr. BOUTELL. Are you familiar with the growth and production of the material out of which this cloth is made?

Mr. MENTE. Only that from India, where the raw material is raised.

Mr. BOUTELL. What is the raw material of which this cloth is made?

Mr. MENTE. Jute.

Mr. BOUTELL. And nothing else?

Mr. MENTE. No, sir.

Mr. BOUTELL. What is the Scotch cloth?

Mr. MENTE. Same thing. They import the jute from India.

Mr. BOUTELL. Has it ever been raised in this country?

Mr. MENTE. Not to my knowledge.

Mr. BOUTELL. Has any effort been made to outwit and get ahead of the Indians by raising the raw material here?

Mr. MENTE. Not in this country.

The CHAIRMAN. The Agricultural Department has made experiments.

Mr. CLARK. It is a kind of hemp, is it not?

Mr. MENTE. Yes, sir.

Mr. BOUTELL. I thought that we might quit buying this of the India people and raise it ourselves.

Mr. MENTE. It is all a matter of climate and soil, as I understand it.

Mr. GRIGGS. Have you not got the best climate and soil in Louisiana in the world?

Mr. MENTE. Why, yes; I dare say we have; they have the best soil, but I do not know about the climate. But they raise sugar, rice, and cotton down there.

Mr. GRIGGS. Can they not grow almost anything in Louisiana?

Mr. MENTE. I think so; yes, sir.

Mr. DALZELL. Can they grow jute?

Mr. MENTE. I dare say they could.

Mr. CLARK. Has anybody ever made a systematic attempt to raise jute in Louisiana or on the Gulf coast?

Mr. MENTE. Not to my knowledge.

Mr. CLARK. Why do they not try it? It is a tropical plant, is it not?

Mr. MENTE. Oh, yes; but it looks like too cheap a proposition, unless Congress shall be kind enough to give us a duty on the raw materials of a cent a pound or something of that sort.

Mr. CLARK. That is it; you can not do anything without a tariff.

Mr. MENTE. Oh, yes we can; lots of it.

Mr. GRIGGS. They grow cotton without it.

Mr. MENTE. I beg pardon; I think that the cotton industry is fairly well protected, as I take it.

Now, when it comes to the argument that has been made here about the farmer paying the price of the bags, for instance, I take issue with the gentleman. Who pays for the bags in the end? I dare say that it is the paper manufacturer. The flour mill buys the bag from the bag manufacturer and fills it with flour. He sells the flour to the baker. I come along and buy it from the baker, paying 20 per cent more than what the new bag cost. I sell to the feed man, and that man sells it to the farmer, perhaps, and in the end it is sold to the paper manufacturer, and he gets it very, very cheap.

Mr. GRIGGS. Then you are the philanthropist who stands between the farmer and the other thieves?

Mr. MENTE. I think so.

The CHAIRMAN. As long as our people insist upon living in houses and keeping themselves warm, and eating something besides rice, and as long as they insist upon wearing proper clothing, they can not compete with the people of India, can they?

Mr. MENTE. They can not, so far as I know; not in that particular line.

The CHAIRMAN. Without protection by a tariff?

Mr. MENTE. And then the farmer of Louisiana gets a very high rate of duty on sugar, and their rate of duty on rice protects that industry. But the trifling pittance that he pays on bags is not worth anything.

Mr. CLARK. You don't know. The rice producers have been here—

Mr. MENTE. And I will say also for them that they have to compete against the same labor that we do, that of India.

The CHAIRMAN. The southern farmer demands protection on rice and sugar, and some of them are here to-day asking for a protective tariff on cotton.

Mr. MENTE. I dare say the majority of the bags that we make and sell have nothing to do with that matter in our section, because they are bought by the rice millers.

Mr. GRIGGS. You said a while ago that the cotton farmer was adequately protected. You meant the cotton manufacturer, didn't you?

Mr. MENTE. Indirectly. It comes back to the planter; he gets the benefit of it just the same as you might say indirectly he has to pay the duty on bags.

Mr. GRIGGS. Does not the cotton raiser sell half of his crop abroad, and does he not sell it in a free-trade market, and when he buys the goods back he has to buy them in a protective-tariff market?

Mr. MENTE. Well, neither Belgium, France, nor Germany is a free-trade market.

Mr. GRIGGS. Free trade so far as cotton is concerned, are they not? They have no tariff on importations of cotton.

Mr. MENTE. They have on cotton manufactured, which is bound to react to the benefit of the farmer.

Mr. GRIGGS. But not on raw cotton?

Mr. MENTE. Not that I know of.

The CHAIRMAN. Are you trying to prove by him that raw cotton should be put on the free list?

Mr. GRIGGS. He said that the cotton grower was adequately protected.

Mr. MENTE. That is my opinion.

Now, we also import large quantities of second-hand bags from England, and the importation into this country amounts to between 15,000,000 and 20,000,000. They are second hand.

Mr. COCKRAN. Do you mean \$15,000,000 to \$20,000,000?

Mr. MENTE. Bags. They are second-hand bags which come to Europe with grain, either from the Pacific slope or from Argentina, and they go principally to England. England not being an agricultural country has no use for the bags, and this is practically the only market they have for that class of bags. Those bags to-day pay seven-eighths of a cent a pound and 15 per cent ad valorem, and we ask that changed from an ad valorem to a specific duty of 1½ cents a pound on the bags. It would also cover second-hand bags.

Mr. GRIGGS. So as to prevent the reimportation of those bags?

Mr. MENTE. Not at all.

Mr. GRIGGS. What for?

Mr. MENTE. The duty of 1½ cents a pound for which we ask is about the same as seven-eighths of a cent a pound and 15 per cent ad valorem. In other words, under the present tariff the duty to-day would be \$12 a thousand, while under the 1½ cents per pound tariff it would perhaps be \$12.25 or \$12.50. While it is a very slight raise in duty, whatever the duty is, I hold that it falls on the foreign exporters, on the foreign seller, and not on the American buyer or consumer, because this country is the only market he has for that class of goods.

Mr. UNDERWOOD. We had a distinguished gentleman here the other day from Pittsburg, who informed us that he thought the consumer paid the tax. You have gone back to the old doctrine that the foreigner pays the tax.

Mr. MENTE. In this particular instance I claim so.

Mr. GRIGGS. Only on bags?

Mr. MENTE. Only on second-hand bags. So far as new bags are concerned I think you will admit that I have to pay just as much as the farmer does.

Mr. GRIGGS. But the trouble is that there are more of the farmers than there are of you.

Mr. MENTE. I beg pardon, but—

Mr. GRIGGS. What I mean is, there are more farmers than men engaged in your business.

Mr. MENTE. In my business, yes; but taking the manufacturers of all kinds, and the working men that they employ, I think that they consume more on the average than the farmers.

Mr. GRIGGS. The farmer does not consume any more because he can not. He consumes every cent's worth that he can.

Mr. MENTE. Well, the farmer is lucky in this way—that he does not put on so much style as the other fellows do.

Mr. GRIGGS. He can only afford to buy a \$60 buggy to ride in on Sunday, and if he is doing that he is doing well.

Mr. MENTE. Well, I notice that some of them have automobiles down in your country and down in mine.

Mr. COCKRAN. I understand the basis of your contention is that labor is more expensive in this country than in England and that you have to compete with the product of Indian labor?

Mr. MENTE. Yes, sir.

Mr. COCKRAN. Do you think that labor is more expensive in this country than in India, judging by what each labor produces?

Mr. MENTE. Yes, sir.

Mr. COCKRAN. Do you base that upon information or just apprehension as to what might happen to you individually?

Mr. MENTE. Upon my own line of business. In my business, the girl who sews, for instance, 2,000 bags a day on a sewing machine run by power, will earn from \$1.25 to \$1.75 per day, according to her skill, and she will make 2,000 bags a day; while the Indian man who makes these bags will average in wages, as I understand it, not more than 20 cents.

Mr. COCKRAN. How much would he produce?

Mr. MENTE. Nearly as much, because they all practically use machines, too. They may not produce quite as much, but I dare say they produce 60 per cent.

Mr. COCKRAN. But you might "dare say" anything. What do you say from knowledge; what do you really know about it?

Mr. MENTE. I never was in Calcutta, so I do not know from knowledge.

Mr. COCKRAN. Exactly; and what you say as to the relative production of the Indian laborer and the American laborer is also said absolutely without knowledge, is it not?

Mr. MENTE. Excepting what I have learned from the United States consul at Calcutta.

Mr. COCKRAN. Do you claim to speak on the authority of a consular report, and if so, which report?

Mr. MENTE. Both upon what I hear and upon what I have read. Of course, it is not of my own knowledge. I do not know, because I have not been there.

Mr. COCKRAN. That is it; you do not really know anything about it.

Mr. MENTE. I have not been a manufacturer over there, and if I had, of course I would have the knowledge.

Mr. COCKRAN. We have had a gentleman here who has had factories both in India and in this country, and who was producing com-

modities in both, and he testified that the Indian labor was actually more expensive than the American labor. You would be surprised to hear that, would you not?

Mr. MENTE. I don't know. I dare say that there are lines of business in which that would occur.

Mr. COCKRAN. But as a matter of fact you do not know anything about what you are talking about. You simply say to us that is your impression. You can not give us actual information to which we could turn for the purpose of verifying what you state? When you speak of the value of labor, or the rate of wages per day, that is only one element in determining which is the more expensive labor until you find out what each class produces. If you paid a man 5 cents a day for the manufacture of a given product, and another man 10 cents per day, the man to whom you pay 5 cents per day might prove to be the more expensive laborer. That, of course, is very clear to you?

Mr. MENTE. That is very true. My knowledge, of course, is based upon what I have been told by manufacturers from Calcutta who have visited my city.

Mr. COCKRAN. Have you discussed with them the cost of labor in this particular industry in Calcutta and the cost of labor in America and the relative productive capacity?

Mr. MENTE. Yes, sir.

Mr. COCKRAN. Give us the name of one man in Calcutta who has talked with you, and what he has told you.

Mr. MENTE. Mr. Grossman, of Calcutta.

Mr. COCKRAN. Did he investigate the subject?

Mr. MENTE. He did. He was in New Orleans for several days, perhaps a week, and we discussed the matter frequently.

Mr. COCKRAN. Did he visit the factories in this country?

Mr. MENTE. He has none in this country.

Mr. COCKRAN. Then how would he have any better information than you?

Mr. MENTE. He was a manufacturer in Calcutta and I a manufacturer in this country, and we compared notes.

Mr. COCKRAN. What did you find to be the relative capacity of each laborer after you had compared notes?

Mr. MENTE. It is over 50 per cent in our line. From our discussion I take it to be about 60 per cent, as against our 100 per cent of production here.

Mr. COCKRAN. You think that the labor over there produces about 60 per cent of what is produced here?

Mr. MENTE. In making bags with sewing machines.

Mr. COCKRAN. And your information is based entirely upon what Mr. Grossman told you?

Mr. MENTE. Yes, sir.

Mr. COCKRAN. Where is Mr. Grossman now?

Mr. MENTE. He is in Calcutta, India, so far as I know.

The CHAIRMAN. I would like to refer my colleague to a discussion of this question by Mr. Charles E. Pierce, who went to Calcutta, spent some months there, and reported the result of his investigations. He was a practical manufacturer of burlap, and has written a very interesting discussion, which we use when we are seeking information.

Mr. CLARK. Who did you say finally consumed these bags?

Mr. MENTE. I say the paper manufacturer, if you want to call him the consumer—

Mr. CLARK. But I understood you to say in your voluntary statement that the farmers did not pay a red cent for these bags, that somebody else paid it. That is true, isn't it?

Mr. MENTE. No; that is not what I said.

Mr. CLARK. Did you not say, in answer to one of the questions asked you by a gentleman here, that these grain bags did not cost the farmer anything, and that they should be charged up against somebody else?

Mr. MENTE. That is my statement.

Mr. CLARK. Did you know that when a farmer hauls his wheat to an elevator, or wherever he takes it, that the elevator man takes off the weight of these bags?

Mr. MENTE. The man who hauls his wheat to the elevator, as a rule, so far as I remember it as a country boy, dumps the grain out in the elevator and takes the bags home again.

Mr. CLARK. He finally consumes those bags?

Mr. MENTE. As a bag.

Mr. CLARK. Why did you say he didn't?

Mr. MENTE. If you wish to call it a bag after it has been torn.

Mr. CLARK. It does not make any difference what you call it after it is worn out, but you stated a while ago, absolutely, that it did not cost the farmer anything, and that he shoved the cost of that sack on somebody else. As a matter of fact, he did not do anything of the sort. He takes it there, as you say, that wheat is dumped in there, and the weight of the sack is subtracted from the weight of the whole bag, the farmer takes his bag back with him; and then ultimately it is worn out, and at his expense.

Now, what you want is an increase in tariff, is it not?

Mr. MENTE. We want an increase so far as we call our raw material and our manufactured material of one-half a cent a pound where we have a quarter of a cent now, and which does not protect us at all.

Mr. CLARK. You are in the business?

Mr. MENTE. Yes, sir.

Mr. CLARK. You have been in the business how long?

Mr. MENTE. Twenty-two years.

Mr. CLARK. You have made money all the time?

Mr. MENTE. Part of the time.

Mr. CLARK. Did you make money in 1907?

Mr. MENTE. I dare say.

Mr. CLARK. How much did you make?

Mr. MENTE. That I could not tell you.

Mr. CLARK. What per cent of profit did you make?

Mr. MENTE. On bags, for instance?

Mr. CLARK. Yes, bags for instance?

Mr. MENTE. The gross profit on bags on a flat basis would be about 5 per cent, and we figure, perhaps, about $2\frac{1}{2}$ or 3 per cent—

Mr. CLARK. I am not talking about the individual bag, but what per cent did you make on the money invested? That is a plain, simple question, and if you can answer it please do so, and if you can not say so.

Mr. MENTE. I can not answer; no.

Mr. CLARK. All right, we will find somebody that will.

Mr. GRIGGS. Are you opposed to free jute?

Mr. MENTE. No, sir.

Mr. GRIGGS. Are you in favor of it?

Mr. MENTE. Yes, sir.

Mr. GRIGGS. I believe you wanted to talk further about jute bagging?

Mr. MENTE. Yes; I have something to say on jute bagging if the committee is through with its questions.

The CHAIRMAN. You may go ahead.

Mr. MENTE. On jute bagging I wish to say that we are importers of second-hand bags which come in pieces. This bagging is principally bagging that falls off the American cotton bale, and from jute bagging which goes from various countries to Europe, and for which Europe does not seem to have much use. I wish to ask this committee to kindly put this special material under a specific paragraph. Under the present Dingley tariff it is classified as "waste," and ever since the tariff has been in existence there has been a good deal of trouble with the Treasury Department to arrive at a proper classification of the material. At last it came before the courts, and the United States district court in Louisiana decided it should come under the classification of "waste," and jute waste pays 10 per cent ad valorem. What we would like is a specific paragraph reading, "Old bagging and cloth of every description made of jute, 10 per cent ad valorem." In other words, we do not ask to have the duty changed, only we wish it to be properly classified under a specific paragraph in order to avoid trouble. This bagging is used the same as cotton bagging, and it is principally used by the cotton exporters to repack or recover bales which have been damaged.

Mr. GRIGGS. In other words, more is used for patching than any other purpose. Are you the only importer of that in this country?

Mr. MENTE. No, sir; I dare say there are a dozen of them, or more.

Mr. GRIGGS. You do not sell any in south Georgia, do you?

Mr. MENTE. I think we do.

Mr. GRIGGS. What do you want a tariff on that at all for?

Mr. MENTE. I do not care a cent whether there is a tariff or not.

Mr. GRIGGS. Then, why do you want another change?

Mr. MENTE. Because there is a tariff on it now, and I want it to remain so.

Mr. GRIGGS. But you do not want it called what it really is, waste?

Mr. MENTE. That is the reason.

Mr. GRIGGS. But it is waste?

Mr. MENTE. Yes, sir; but I want to say that it does not come out of the farmer's pocket this time.

Mr. GRIGGS. I saw cotton reduced this year from one-eighth to five-eighths of a cent a pound simply because it was wrapped in that waste, and you want to change the name to fool the farmer?

Mr. MENTE. I beg pardon.

Mr. GRIGGS. Why do you not want it called waste?

Mr. MENTE. Because the farmer does not buy it at all. I never sold a pound to a farmer. I have only sold it to exporters. It is used, as a rule, by foreign houses in Germany, England, France, and Belgium for packing a bale as it comes from the compress.

Mr. GRIGGS. The compress man in my town and I used some of this stuff this year, and the compress manager told me the whole bale had to be patched.

Mr. MENTE. You made money by that, did you not?

Mr. GRIGGS. He might have made money; I don't know.

Mr. MENTE. He weighed in the patch with the cotton?

Mr. GRIGGS. But the tare comes off.

Mr. MENTE. That is the original tare of the bag man, not the patching.

Mr. GRIGGS. At 9 cents a pound that is \$2.25. Your bagging sells at about $5\frac{1}{2}$ or 6 cents a yard?

Mr. MENTE. Not this bagging. This bagging sells at $3\frac{3}{4}$ to 4 cents a pound.

Mr. GRIGGS. When it goes to the retailer?

Mr. MENTE. There is no retailer.

Mr. GRIGGS. I bought mine from a retailer.

Mr. MENTE. You might buy it from a rag house or a junk man, of course.

Mr. GRIGGS. I did not. I bought it from a dealer in cotton bagging.

Mr. MENTE. New or secondhand?

Mr. GRIGGS. Secondhand, that which you are talking about now, waste, and it was the greatest waste that I ever saw in my life.

Mr. MENTE. I am very much surprised to hear you say that, because I thought you would have been a beneficiary at that price.

Mr. GRIGGS. I thought so too when I bought it. It cost me about half as much as the bagging at first hand would have cost. Of course I lost my 30-pound tare—we all lose that—and it seemed to weigh enough to nearly make up for that.

Mr. MENTE. It must have been very poor waste.

Mr. GRIGGS. It was, as all of it is.

Mr. MENTE. I beg pardon; no.

Mr. DALZELL. Waste bagging—jute bagging—has been ruled by the court to be dutiable in certain cases and not dutiable in others; for instance, waste bagging of jute not to be entitled to enter free of duty, as being fit only to be converted into paper, because it is shown to be shipped for other purposes, while on the other hand it was held that waste bagging of jute found to be worth only about half as much as bagging fit only for paper stock is held to be free of duty. How would one paragraph, which you propose to put in the bill, cover what you are after?

Mr. MENTE. I proceed upon the standpoint that there is now a paragraph which protects paper stock, and there is a paragraph which covers new bagging, and all cotton bagging, and I want to stand between the two. In other words, some pieces that could not be used for anything else would naturally be paper stock, because it can not be used for any other purpose, but larger pieces, 2 or 3 yards long, can be used for other purposes.

Mr. DALZELL. I would suggest that you draw a paragraph such as you want put in the bill, and leave it.

Mr. MENTE. I will do so.

**E. W. MENTE, NEW ORLEANS, LA., SUBMITS BRIEF RELATIVE TO
OLD BURLAP CLOTH AND BAGGING.**

WASHINGTON, D. C., *November 30, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: We are engaged in the importation of pieces of old bagging and cloth made of jute, which has been heretofore classified for duty under the provisions of paragraph 463 of the tariff act of July 24, 1897, for "waste, not specially provided for in this act, 10 per centum ad valorem," but there has been a great deal of uncertainty with regard to the proper classification of these articles during the past ten years, and with a view of making more certain the duty which is to be paid hereafter under the provisions of the new tariff on the goods in question, we ask that a specific provision for such goods may be added to the schedule providing for manufactures of jute, and we suggest that the following language may be employed for that purpose, namely: "Old bagging and cloth of every description, made of jute, 10 per centum ad valorem."

We bring this matter to your attention with the object of having the duty on the goods in question so clearly determined in the new tariff act that merchants who deal in such goods may make contracts and do business generally in them with no uncertainty as to the duty which will be exacted on them. Your committee is no doubt well aware that if the rates of duty applicable to imported merchandise can be definitely determined, business interests will frequently adjust themselves in accordance with such rates, but the main difficulty with which merchants have to contend in these questions of duty is the uncertainty as to the duty which they may be required to pay on their importations.

We submit to you that inasmuch as the special provision for which we ask is only desired to make more certain the assessment of duty which has heretofore been exacted on these goods, there can be no objection to this new provision on the part of any domestic interests, because the existing situation, in so far as they are concerned, will not be in any way changed when the new tariff becomes operative.

We may add for the information of your committee that the duty provided in paragraph 344 of the tariff act of 1897 for cotton bagging, gunny cloth, and similar fabrics, suitable for covering cotton, of six-tenths of 1 cent per square yard is equivalent to an ad valorem duty of about 10 per cent, so that the duty which we desire to have fixed without question on the goods which we have brought to your attention is practically the same as that for the goods in paragraph 344 and our goods are largely used for the same purpose as those mentioned in paragraph 344.

Very respectfully,

MENTE & Co.,
New Orleans, La.

STATEMENT OF C. LEE McMILLAN, OF NEW ORLEANS, LA., WHO
WISHES JUTE BAGGING PUT ON FREE LIST.

MONDAY, *November 30, 1908.*

Mr. McMILLAN. I have been sent here by the New Orleans Cotton Exchange to ask this committee to place upon the free list jute bagging used for the covering of cotton. We think that it is entitled to be so placed. At present the duty paid amounts to a very small matter to the Government; and the farmer of the South, we consider, is entitled to have the privilege of wrapping his cotton free, just the same as the farmer of the West gets his binder twine free. For fourteen years binder twine has remained upon the free list, and during those fourteen years there has been this tax on cotton bagging. The tax on cotton bagging is six-tenths of a cent, as you will see there, per square yard, amounting to nearly three-quarters per running yard of 44 inches, and amounting to $4\frac{3}{4}$ cents per bale on every bale of cotton grown in America. Some 13,000,000 bales will probably be produced this year.

Through the courtesy of the chairman I was informed on Friday that I might at this time address you gentlemen upon the subject of cotton ties, which occupy the same position with the cotton planter as does jute bagging. Cotton ties for the past few years have not been imported at all, the duty being prohibitive. You will find that the duty is half a cent per pound, $22\frac{1}{2}$ cents per bundle, amounting to $4\frac{1}{4}$ cents on each bale of cotton produced in this country. We think that on cotton ties the same thing applies as it does to the farmer who raises wheat or anything else where binder twine is used, and that he is entitled to get his cotton ties free.

The steel mills of this country, I think, are amply able to compete with the foreigner. I have been in the rolling mills in England, and they do not compare with any of ours in this country. The improved machinery here will enable the American to still have a very fair share of the business, and perhaps only ports like New Orleans, Savannah, or Galveston will amount to anything, importing.

Mr. BOUTELL. Would free bagging and free cotton ties enable the purchasers of raw cotton to get it any cheaper?

Mr. McMILLAN. To the extent of the duty, sir.

Mr. BOUTELL. And would this cheapening of cotton pass on to the final consumer?

Mr. McMILLAN. I think so.

Mr. BOUTELL. So far as that which is made in this country is concerned?

Mr. McMILLAN. Yes, sir.

Mr. BOUTELL. Are you familiar at all with the organization and workings of the Farmers' Union of the Southwestern States?

Mr. McMILLAN. Only so far as I have seen by the papers. I received a letter from Mr. Barrett, the president of the Farmers' Union, representing some 2,000,000 people, who said he would be here—I do not know the gentleman—to present their case and ask that these articles be placed upon the free list.

Mr. BOUTELL. How many members are there of this union?

Mr. McMILLAN. I have been told that there are 2,000,000.

Mr. BOUTELL. Are these cotton farmers members?

Mr. McMILLAN. I understood so.

Mr. BOUTELL. What is their plan of operation?

Mr. McMILLAN. Their plan of operation is to produce cotton as cheaply as possible, I suppose, and get as much as they can for it, like any other farmer.

Mr. BOUTELL. I take my information from a weekly paper published in Dallas called the Farmers' Union Watchword—or Password—it has changed its name several times. I understand that the plan is to take in only cotton farmers, for the purpose of erecting a chain of steel warehouses in which to assemble and store their cotton and hold it for a uniform maximum price.

Mr. McMILLAN. That may be their object.

Mr. BOUTELL. Do you know whether it is or not?

Mr. McMILLAN. I do not; I am not a member.

The CHAIRMAN. In your opinion, would that increase the cost?

Mr. BOUTELL. That would be for the members of it to say, I think.

Mr. CLARK. It has been testified here several times that because the sawmills of the country number 28,000 that it would be utterly impossible to form a trust among them. Would not that argument be still stronger that these men could never realize their dream, no matter how much they might try it?

Mr. McMILLAN. I do not think it is possible for them to form a trust.

Mr. GRIGGS. Have not the farmers tried it a great many times, and have not they failed every time so far as the organization of a trust is concerned?

Mr. McMILLAN. There is absolutely no chance.

Mr. POU. If they could organize a trust to get an advance in their profits, do you think they would be getting anything more than a square deal, and haven't they gotten it in the neck for at least twenty-five years?

Mr. McMILLAN. I don't think they consider they have ever gotten a square deal.

Mr. GAINES. How much did you say the cost was increased in a bale of cotton by the tariff on jute bagging and ties?

Mr. McMILLAN. Nine and one-quarter cents per bale.

Mr. GAINES. What is the average price of a bale of cotton?

Mr. McMILLAN. Fifty dollars.

Mr. GAINES. That would be 9¼ cents in \$50—

Mr. McMILLAN. That is the average price. The present price of cotton is about \$40 per bale.

Mr. GAINES. The average price is about \$50?

Mr. McMILLAN. Yes, sir.

Mr. GAINES. The farmer sells to the cotton broker, does he not?

Mr. McMILLAN. The farmer hauls it in and it is ginned at a public gin. The man who puts it through the gin charges the farmer for the bagging and ties that go in that bale. The farmer then has the privilege of selling the cotton to whom he pleases.

Mr. GAINES. So that the increase is about, as you understand it, 9¼ cents in a \$50 bale of cotton?

Mr. McMILLAN. Yes, sir.

Mr. DALZELL. Are you an importer of cotton bagging?

Mr. McMILLAN. I have been importing it for a good while.

Mr. DALZELL. Recently?

Mr. McMILLAN. Yes, sir.

Mr. DALZELL. Have you some cotton bagging now in bond?

Mr. McMILLAN. I have.

Mr. DALZELL. About how much?

Mr. McMILLAN. I suppose 400,000 yards.

Mr. UNDERWOOD. Do you say there are no cotton ties imported into this country at all now?

Mr. McMILLAN. Not now.

Mr. UNDERWOOD. The present duty is a prohibitive duty?

Mr. McMILLAN. Absolutely.

Mr. UNDERWOOD. It produces no revenue for the Government?

Mr. McMILLAN. None whatever.

Mr. UNDERWOOD. Where is the principal place that cotton ties are manufactured in this country to-day?

Mr. McMILLAN. By the Carnegie Steel Company at various plants.

Mr. UNDERWOOD. Where are they located?

Mr. McMILLAN. At Pittsburg, Youngstown, Pomeroy—there is one plant in Atlanta, but not a very large one.

Mr. UNDERWOOD. Practically all of the cotton ties outside of the Atlanta plant are manufactured by one company, are they not?

Mr. McMILLAN. Yes; and they fix the price for the Atlanta people to sell at.

Mr. UNDERWOOD. The Atlanta plant is a very small producer of cotton ties?

Mr. McMILLAN. Quite.

Mr. UNDERWOOD. Very much less than 1 per cent?

Mr. McMILLAN. I do not think it counts for very much. I do not know the percentage.

Mr. UNDERWOOD. So that the present tariff on cotton ties is a prohibitive tax and leaves one concern in the United States to fix the market at such price as they see fit?

Mr. McMILLAN. They have been so doing.

Mr. UNDERWOOD. Do you know the cost of production of cotton ties abroad?

Mr. McMILLAN. I haven't had a quotation recently. The price is usually the difference between the American price and the duty. Before the market opens in the spring of each year the American manufacturer finds out from abroad the price at which we can import at Savannah, New Orleans, or Galveston. They then fix a schedule at a price slightly less than it would cost us to import, making it impossible to handle ties at a profit, and charging the planter perhaps about 20 cents per bundle more than he would have to pay if ties were upon the free list.

Mr. UNDERWOOD. Then you think that if the duty was reduced to a revenue basis on cotton ties that it would improve the condition of the ultimate consumer?

Mr. McMILLAN. I think if they were put on the free list that it would improve it that much more.

Mr. UNDERWOOD. Of course.

Mr. McMILLAN. That it would reduce the cost to the cotton farmer to the extent that was saved in the duty. Some years ago we imported quite a large number of cotton ties, and the business grew a little bit too much, perhaps, or it looked as though it might, and the Carnegie Steel Company put a price upon them so that no one could

import at a profit. They employed as distributing agents for all of their cotton ties the people who control the bagging business of this country—I mean the cotton bagging for covering bales of cotton—paying them quite handsomely, I am told, and they acted as selling agents. The prices were fixed by the Carnegie Steel Company and their selling agents.

Mr. UNDERWOOD. You mean jute bagging for covering bales of cotton?

Mr. McMILLAN. I mean the people who handle the jute bagging for those who manufacture it. There is a firm by the name of Warren, Jones & Gratz who act as selling agents for the bagging trust and the steel combine in Pittsburg.

Mr. GRIGGS. Mr. McMillan, there are only two concerns who really manufacture cotton bagging in the United States.

Mr. McMILLAN. Of any moment.

Mr. GRIGGS. And that is the Ludlow Manufacturing Associates and the American Manufacturing Company.

Mr. McMILLAN. Yes; they have it pretty much their own way.

Mr. UNDERWOOD. Is the duty on jute bagging prohibitive?

Mr. McMILLAN. Not entirely. Some years, when the American Manufacturing Company puts the price at a high figure to the farmer, it permits a small amount of bagging to be imported. During 1907 the price was put up very high to the farmer, costing about 10½ cents per yard, as Mr. Griggs perhaps knows, and then the importations increased, amounting to perhaps as much as 15,000,000 yards. You have it before you. This year they opened the market at a very much lower price, and therefore the purchases of foreign bagging have been very much smaller.

The CHAIRMAN. I find that there was imported 20,000,000 yards.

Mr. McMILLAN. Yes; bagging weighs about 2 pounds per yard of 44 inches, and that would be about 16,000,000 yards imported.

Mr. UNDERWOOD. Then there was 16,000,000 yards imported in that one year. What is the total consumption in this country for baling cotton?

Mr. McMILLAN. It requires about 80,000,000 yards to cover this crop.

Mr. UNDERWOOD. Eighty per cent made in this country and 20 per cent imported. And that 80 per cent that was manufactured in America is manufactured by two firms?

Mr. McMILLAN. With the exception of a very small mill at Peru, Ind., which makes a limited quantity.

Mr. UNDERWOOD. But the two firms manufacture the bulk of the goods in this country and fix a uniform price?

Mr. McMILLAN. They do.

Mr. UNDERWOOD. Under the present duty the consumer of jute bagging practically has to face a monopoly?

Mr. McMILLAN. He does.

Mr. UNDERWOOD. And there is no chance for foreign competition to regulate the price at all?

Mr. McMILLAN. Very slight.

The CHAIRMAN. In the year of 1903 the price of the imported article was 3.3 cents per pound. In 1907 it was 6.1 cents a pound, or almost double—that is, the foreign price was almost double. Was the price of jute doubled also?

Mr. McMILLAN. No; the price of jute, according to my recollection, was not doubled, but was higher.

The CHAIRMAN. What was the occasion for the doubling of the price abroad?

Mr. McMILLAN. It was somewhat higher, but I do not think as much higher as that. Jute was higher in 1907 than in 1903, but not that much.

The CHAIRMAN. The report shows that it was 3.3 cents a yard in 1903 and 6.1 cents in 1907.

Mr. McMILLAN. Mr. Chairman, permit me to say that the jute quotations which you find there apply to a different class of goods. Cotton bagging is made from jute butts, a very low grade of jute. It is sold at a very much lower price, and the fluctuation is not so great.

The CHAIRMAN. This is "bagging for cotton, gunny cloth, and similar fabrics suitable for covering cotton"—that is cotton bagging, is it not?

Mr. McMILLAN. Yes; but none of the raw material ever sold for 5 cents per pound.

The CHAIRMAN. I am not talking about the raw material, but about the bagging itself. I then asked you if there were similar advances in the raw material, and you said no.

Mr. McMILLAN. I do not think the advance was as great in the raw material as it was in the manufactured article.

Mr. GRIGGS. I want to settle one matter that I think you understand very thoroughly. An intimation was made here this morning that the farmer resells his sacks. What tare is taken off for bagging and ties at the factory?

Mr. McMILLAN. Six per cent is the allowance calculated upon; 30 pounds for each 500-pound bale of cotton.

Mr. GRIGGS. At 9 cents a pound that would be how much?

Mr. McMILLAN. That would be \$2.70.

Mr. GRIGGS. That the farmer loses in the price of cotton, because it is taken off the price of cotton. I don't believe it is deducted absolutely, but that is taken into consideration in fixing the price of cotton.

Mr. McMILLAN. In other words he doesn't sell bagging and ties at the price of cotton, but their weight is deducted in the final account.

Mr. GRIGGS. And it amounts to \$2.70?

Mr. McMILLAN. Yes, sir.

Mr. GRIGGS. At 9 cents a yard—because that is about the ruling price of bagging for the last few years—how many yards does it take to cover a bale of cotton?

Mr. McMILLAN. Six and one-half yards is about the average.

Mr. GRIGGS. How much is that?

Mr. McMILLAN. About 60 cents.

Mr. GRIGGS. What is the cost of the ties to the farmer who has to buy them?

Mr. McMILLAN. About 20 cents per bale of cotton.

Mr. GRIGGS. The two cost him 80 cents, and he loses for them \$2.70?

Mr. McMILLAN. Well, I do not follow you exactly that way.

Mr. GRIGGS. In the shape of tare?

Mr. McMILLAN. He gets for his cotton a net price, and what he pays for his bagging he gets no return on at all.

Mr. GRIGGS. He really loses?

Mr. McMILLAN. There is no account taken of that.

Mr. GRIGGS. That is, he loses the tare?

Mr. McMILLAN. Yes.

Mr. GRIGGS. And the tare is \$2.70?

Mr. McMILLAN. Well, he would have to pay for the bagging then, at the price of cotton to start with, to lose that.

Mr. GRIGGS. I understand that, and he does that, does he not? He loses on the packing because that weight is deducted.

Mr. McMILLAN. He would not be entitled to the price on the gross weight.

Mr. GRIGGS. Two dollars and seventy cents are deducted from the gross.

Mr. McMILLAN. That is correct.

The CHAIRMAN. When he sells cotton, the whole package is sold. It nets so much to him per pound on the gross weight?

Mr. McMILLAN. Yes, sir.

The CHAIRMAN. He gets a rebate?

Mr. McMILLAN. No; he does not get any rebate.

The CHAIRMAN. The merchant gets the rebate and takes that amount. How much is that?

Mr. McMILLAN. In buying cotton he will figure the tare as about 26 pounds, and that is deducted from the gross weight.

The CHAIRMAN. That is the weight of the tie and the bagging?

Mr. McMILLAN. A bale of cotton will average about 500 pounds. There are about 26 pounds of bagging and ties in a bale.

The CHAIRMAN. And the bale weighs 500 pounds on the average?

Mr. McMILLAN. Yes, sir.

The CHAIRMAN. Do you remember what the production of cotton was since 1903?

Mr. McMILLAN. I do not remember the crops by years.

The CHAIRMAN. Do you remember the comparative production in 1903 and 1907?

Mr. GRIGGS. The year 1903 they had a large crop.

Mr. McMILLAN. I think so; about 13,400,000 bales, as I remember.

The CHAIRMAN. In 1907 the crop was not large?

Mr. McMILLAN. It was 11,600,000 bales.

The CHAIRMAN. That is your recollection?

Mr. McMILLAN. Yes, sir.

The CHAIRMAN. Has not the average price of cotton for the past twelve years been pretty large?

Mr. McMILLAN. It has.

The CHAIRMAN. And the farmers have reaped their returns?

Mr. McMILLAN. I do not know as to the cost of production.

The CHAIRMAN. Has not the average farmer made a fair profit for the last twelve years, excepting last year?

Mr. McMILLAN. He has gotten larger prices than he did for some years previous, but he has stated that his cost of production is more.

The CHAIRMAN. Prices for more than ten years preceding this last have been higher?

Mr. McMILLAN. I said it had been more.

The CHAIRMAN. How much was it? How much more?

Mr. McMILLAN. I do not know.

The CHAIRMAN. Double?

Mr. McMILLAN. Nothing like that.

The CHAIRMAN. Fifty per cent more?

Mr. McMILLAN. I should think not.

The CHAIRMAN. Give us the figures, then.

Mr. McMILLAN. I would be glad to do so. We have it at the New Orleans Cotton Exchange. We have the range of prices for many years, and I can furnish that if you would like to have it.

The CHAIRMAN. Please furnish it to us, then, for twenty years back.

Mr. McMILLAN. I can do so, because we have the records and I will take pleasure in sending that to you.

Mr. DALZELL. Do I understand you to say that no cotton ties have been imported for some years?

Mr. McMILLAN. I think that no cotton ties have been imported for two years. You have the record on that before you.

Mr. DALZELL. I asked you what you stated about it. I want to know.

Mr. McMILLAN. I will be pleased to give you any information I can. I think no cotton ties have been imported for two years. Prior to that time we imported some, and others imported some.

Mr. DALZELL. That was only during the last two years?

Mr. McMILLAN. So far as I know, no importations have come in during the past two years.

Mr. POU. I believe you stated that there were only two corporations in the United States manufacturing cotton ties.

Mr. McMILLAN. No. There are a number of mills engaged in it, but almost their entire output is controlled by the United States Steel Corporation, under the Carnegie Steel Company.

Mr. POU. The price of cotton ties is practically set by that corporation, is it not?

Mr. McMILLAN. It is.

Mr. POU. So that in fixing the prices which they have quoted they are a little under the price abroad, plus the duty?

Mr. McMILLAN. That is right.

Mr. POU. For what are ties selling this year?

Mr. McMILLAN. In the neighborhood of 95 cents per bundle.

Mr. POU. You had been importing ties at a profit?

Mr. McMILLAN. I had, up to a few years ago.

Mr. POU. If ties were put upon the free list, at what price could they be sold to the farmer?

Mr. McMILLAN. They could be sold for about 20 cents per bundle less if they are not on the dutiable list.

Mr. POU. Then the only restriction that is put upon the Steel trust in putting up the prices is the danger of importation from abroad?

Mr. McMILLAN. That is all.

Mr. BOUTELL. Do you know whether efforts have been made in any of the Gulf States to attempt to cultivate jute?

Mr. McMILLAN. I do not think it would pay the southern farmer to attempt to produce any fiber such as jute, which is manufactured into bagging for cotton covering. It sells as low as three-fourths of a cent, or 1 cent on the docks in New York. No southern farmer would attempt to compete with that raw material at that price.

Mr. BOUTELL. It is cultivated in India.

Mr. McMILLAN. Jute is cultivated in India, and it grows like a young willow. It is the bark that makes the fiber. In that country it requires practically no cultivation. When it reaches maturity it is cut down, and is allowed to remain in what is called steepage water until the bark can be easily removed. When the bark is taken off it is dried, and then it goes to the manufacturers.

Mr. BOUTELL. Our Agricultural Department has demonstrated that jute can be successfully grown in parts of the South, and it has often occurred to me that the enormous amount of land lying along the Gulf States would, perhaps, be capable of its cultivation. I did not know whether or not it had ever been tried.

Mr. McMILLAN. It has been tried, but it can not be made to pay.

Mr. BOUTELL. Not because it requires too much cultivation?

Mr. McMILLAN. It does not bring enough money. In the fiber, such as is used for making bagging, it does not sell for more than about a cent, and is not worth cultivating. Our southern farmers can produce cotton at 9 cents a pound, and a man in the South could use his land to a great deal better advantage than in growing this inferior fiber.

Mr. BOUTELL. I did not know but what it would grow on lands that are not available for other agricultural purposes or for raising farm products.

Mr. McMILLAN. We grow rice upon lands of that character, and that crop is very much more profitable.

Mr. BOUTELL. So that we are practically limited to the Hindoo article as it is cultivated there?

Mr. McMILLAN. That is the large field for it, and there is usually no trouble in getting all of the jute butts required from that country.

Mr. GRIGGS. There is very little labor connected with it?

Mr. McMILLAN. Very little.

Mr. RANDELL. Don't you think we had better let the Hindoos do that class of work?

Mr. McMILLAN. Decidedly. I would hate to see the day come when our farmers would be compelled to compete with them in raising jute.

Mr. COCKRAN. In the matter of the cost of production, you are not afraid of any Indian, Hindoo, or Hottentot on the face of the earth?

Mr. McMILLAN. No, sir.

The CHAIRMAN. No cotton broker is?

Mr. COCKRAN. You are not a cotton broker?

Mr. McMILLAN. No, sir.

Mr. GRIGGS. What is your business?

Mr. McMILLAN. I am in the bagging and tie business, for the covering of cotton.

Mr. GRIGGS. You are not a cotton broker?

Mr. McMILLAN. No, sir; but I sometimes lend money to handle cotton.

Mr. GRIGGS. By his remark, the chairman suggested that no cotton broker would be afraid of that sort of competition. You want it on the free list?

Mr. McMILLAN. I do.

Mr. FORDNEY. You are like the gentleman who wanted the man to work the other side of the street.

The CHAIRMAN. You are not engaged in the sugar business in any way?

Mr. McMILLAN. No, sir; but I lend sometimes money to those who produce sugar.

The CHAIRMAN. Yes.

Mr. UNDERWOOD. You do not consider that the duty placed on raw cotton was of any advantage to the southern farmer?

Mr. McMILLAN. I do not think it is of any special advantage to him.

Mr. GRIGGS. How much of the cotton raised in this country do we export?

Mr. McMILLAN. We export about one-half of it.

Mr. GRIGGS. The duty would not in any way protect the southern farmer?

Mr. McMILLAN. I do not think that the southern farmer needs a duty on cotton. He can take care of himself, I think, in that respect.

Mr. GRIGGS. He sells in the world's market?

Mr. McMILLAN. He is a free trader.

Mr. FORDNEY. Would you feel safe in lending money to the sugar producer if the duty were to be taken off sugar?

Mr. McMILLAN. I would not.

Mr. COCKRAN. And you would not say that you think we ought to make a man solvent by taxation?

Mr. McMILLAN. I would not.

(The following resolution was presented by Mr. McMillan:)

Extract from minutes of board of directors of New Orleans Cotton Exchange, meeting November 9, 1908.

Whereas the Ways and Means Committee of the House of Representatives will meet in the near future to hear argument in relation to tariff amendments; and

Whereas the present tariff on jute bagging used for baling cotton and on steel cotton ties amounts to 9 cents or more per bale; and

Whereas this tax is a direct burden on the cotton-raising industry of the South for the benefit of a few manufacturers who are thus enabled to thrive at the expense of the most important class of agriculturists in this country: Therefore be it

Resolved, That the New Orleans Cotton Exchange earnestly urges that all bagging and ties used in the baling of cotton be put on the free list;

Resolved, That our Senators and Representatives in Congress from Louisiana and those from the other cotton States be earnestly urged to present this matter before the Committee on Ways and Means, or any other congressional committee before which it may be considered, in such light as will prove the justice of our request and the urgency for all proper relief in the premises.

A true copy.

H. G. HESTER, *Secretary*.

STATEMENT OF C. H. McDOWELL, OF CHICAGO, ILL., WHO THINKS BURLAP SHOULD BE PUT ON THE FREE LIST.

MONDAY, November 30, 1908.

Mr. Chairman and gentlemen of the committee, I represent the National Fertilizers' Association. There is exported from India about 1,700,000 tons of raw jute, of which the United States takes about 110,000 tons, or over 6 per cent. There is exported about 450,-

000,000 square yards of burlap cloth, of which the United States takes 316,000,000. The bulk of the burlap goes into the manufacture of bagging and for material which is used for roofing purposes, etc. Of this 316,000,000 square yards something like 105,000,000 square yards are used in the manufacture of sacks for fertilizer and for bags for cotton-seed meal.

I have before me an extract from the United States custom-house books which says: "Jute cloth, not exceeding 60 inches in width, weighing not less than 6 ounces per square yard, and not exceeding 30 threads to the square inch, counting warp and filling, shall be, per pound, five-eighths of a cent and 15 per cent."

The above specifications cover the different grades of jute cloth used in the manufacture of burlap bags for the fertilizer, cotton-seed meal, rice, sugar, and other lines of trade. The Treasury Department records for the past twelve months show that under this section \$4,729,808.48 of revenue were received. The market value of this jute cloth was \$25,006,101.60. Hence for revenue purposes the cost of this commodity was increased 19 per cent.

There were 316,622,921 square yards of jute cloth imported to the United States during the past twelve months. Of this amount, 75,000,000 square yards were used in the manufacture of fertilizer sacks. About 25,000,000 square yards were used in the manufacture of bags for cotton-seed meal. Fully 5,000,000 square yards are used in the manufacture of bags for poultry and stock foods, exclusive of cotton-seed meal. Therefore the burden of tax on 105,000,000 square yards of jute cloth, or about \$1,600,000, falls on the farmer, planter, and stock raisers in the purchase of fertilizers and stock and poultry foods.

This means a direct tax of approximately 15 cents a ton for every ton of bagged fertilizer and stock food sold. This item of expense the manufacturer is compelled to count in computing costs and fixing the selling price of his commodity.

This imported burlap constitutes 98 per cent of the material used for fertilizer packages.

The high prices of other suitable material for bagging are prohibitive.

The census of 1905 shows there are only 16 establishments in the United States manufacturing jute products. However, these establishments are engaged principally in making twine, rope, gunny bagging, carpets, rugs, etc.

The amount of burlap suitable for fertilizer bags made in these 16 establishments would not amount to more than one-thirtieth of the total value of their output.

This duty, then, is one for revenue, and not to be considered a strictly protective duty.

The question is whether or not a tax of 19 per cent is out of proportion to the tax on other exclusively foreign-made finished materials.

Five-eighths of a cent per pound plus 15 per cent ad valorem is equivalent to 1.46 cents per pound. The consumers of burlap would be heavily taxed if they were asked to pay 10 per cent duty.

A specific rate of three-fourths cent per pound instead of the present compound rate would give the Government (on basis last year's importation) \$2,430,000.

The jute industry was established in India. People there have known the art of weaving this material for centuries. According to the International Encyclopedia jute can be grown in most climates and on all kinds of soil, but rich alluvial lands and lands subject to salt-water influence particularly favor its production. However, the raising of jute has never been extensively carried on excepting in India.

Over 150,000 people are engaged in this industry in India. Most of the India exports of jute go to Dundee, Scotland, although last year about 110,000 tons of raw jute were exported to the United States. This raw jute exported to the United States, however, was used principally in the manufacture of twine, rope, gunny bagging for cotton, carpets, and rugs, and only a very small part used in the manufacture of burlap suitable for fertilizer, roofing, cotton-seed meal, poultry food, or similar products.

Mr. UNDERWOOD. Suppose we put burlap cloth and jute on the free list, would it injure the industry in this country?

Mr. McDOWELL. I can see no reason why it should be an injury to the industry in this country by putting burlap on the free list; none whatever, because none of it is produced here.

Mr. UNDERWOOD. It would bring a direct benefit, would it not?

Mr. McDOWELL. In my judgment it would cheapen the cost to the farmer and to the manufacturer of fertilizer and in the marketing of the grain products of the country.

Mr. UNDERWOOD. Do you know anything about jute?

Mr. McDOWELL. Very little. It is cultivated in India and has been for centuries. The raw jute grows on the seashore, and for many years it was manufactured in the city of Dundee, in Scotland. Later the Scotch manufacturers of raw material went to Calcutta, and the bulk of it now comes from Calcutta rather than from Dundee.

Mr. UNDERWOOD. If jute and burlap were both put on the free list, would not that tend to the manufacture of those articles in this country?

Mr. McDOWELL. I can not say that it would.

Mr. UNDERWOOD. But it would greatly reduce the cost to the farmer?

Mr. McDOWELL. I should say, broadly, that it would. The total duty collected on it is \$4,725,000, and there were \$25,000,000 worth of it imported, so that if you eliminate that part of it that is used for roofing the bulk of it will be used by the farmer.

Mr. UNDERWOOD. You take the position that those materials which are used for fertilizer, twine, etc., are not necessary for the agricultural interests and should be put on the free list?

Mr. McDOWELL. Yes, sir; I think so.

Mr. FORDNEY. How about grain bags? Ought they to be put on the free list?

Mr. McDOWELL. I do not know anything about the importation of finished grain sacks—how many are brought into the country—but I can not see that the free importation of burlap cloth would interfere with the manufacture of sacks in this country and it would cheapen their cost.

Mr. FORDNEY. If you put it on the free list and therefore abolish the duty which the Government receives and which it needs, where

would you recommend that the Government would collect its revenue?

Mr. McDOWELL. I am not here for the purpose of arguing that question.

Mr. FORDNEY. The Government needs a certain amount of revenue. If it does not raise it from these articles, from whence is it to come?

Mr. McDOWELL. There is no question but what the Government needs revenue, I should think. If it is consistent with the state of the Treasury, I would like to have the committee recommend the elimination or the reduction of this duty. It would not interfere with the revenue very much.

Mr. FORDNEY. The Government is running behind now in its revenue, and if it needs this revenue, which it will lose if the duty be taken off, where would you recommend that a further revenue be placed?

Mr. McDOWELL. I can not say.

Mr. POU. Don't you think it would be wiser to reduce the duties on those articles where the duty is now practically prohibitory and which produce more revenue, and which we could do without, and put it on something on which the duty is of more importance to the producer?

Mr. McDOWELL. I would not venture an opinion upon that point. I make my statement and stick to the question, which is that it is important to the farmer, who is the producer of the crops, because he is hard pressed and he needs close margins on everything which he has to buy to grow his crop. In anything which pertains to the initial cost of his product the Government should consider him, and I say, therefore, that, if it is consistent with the state of the Treasury, we would like to have an elimination, or at least a modification, of this duty, and if it is not eliminated now it should be eliminated as the years go by. There are eight or ten fertilizer mills—

Mr. FORDNEY. The average agricultural duty is highly protective?

Mr. McDOWELL. Yes, sir.

Mr. FORDNEY. Then you are here recommending that the farmer be continually protected and that the articles that he does not produce be put on the free list.

Mr. McDOWELL. I think it would be wise for you to work in the direction of cheap fertilizer for the farmer.

Mr. FORDNEY. That would be partial to the farmer.

Mr. McDOWELL. I think he needs consideration. I think that the prosperity of the entire country is dependent upon the buying power of the farmer.

Mr. FORDNEY. The American consumer has the greatest market of all, has he not?

Mr. McDOWELL. Yes, sir.

Mr. FORDNEY. Don't you think this would be protecting the farmer and not protecting the laboring classes?

Mr. McDOWELL. It is a pretty broad question how much benefit the farmer derives from protection when he is exporting his crops.

Mr. COCKRAN. Does he get any benefit from the protection which is given to wheat?

Mr. McDOWELL. I think not.

Mr. COCKRAN. He is on the tariff schedule, but he does not collect much at the custom-house.

Mr. McDOWELL. No; he does not get much of that because he exports.

STATEMENT OF THOMAS F. MAGNER, WHO REPRESENTS MANUFACTURERS OF JUTE CLOTH FROM JUTE BUTTS.

MONDAY, *November 30, 1908.*

The CHAIRMAN. On what subject do you appear?

Mr. MAGNER. Cotton bagging.

The CHAIRMAN. Please proceed.

Mr. MAGNER. I represent, Mr. Chairman and gentlemen of the committee, all those manufacturers who are engaged in the manufacture of what is known as jute cloth made from jute butts in the United States. They are the Peru Bagging Manufacturing Company, of Indiana; the Ludlow Manufacturing Associates, of Ludlow, Mass.; and the American Manufacturing Company. The Ludlow Associates have a large plant, 30 acres in extent, at Ludlow, Mass. The American Manufacturing Company have different plants, several plants in St. Louis, one at Galveston, one at Charleston, and they have two large plants in Brooklyn, New York City, my native city.

We present here to-day from all of these manufacturers a memorial. We have now in process of preparation, and later will present to the committee, a table giving the relative cost of production of this fiber, of the manufactured article, in India and in America, the amount produced, and everything relating to it, both in the production and manufacture in Calcutta and in the United States.

The CHAIRMAN. I suppose you will give us the relative cost of production per unit of quantity?

Mr. MAGNER. Yes; and also the cost of labor per unit in both countries. At present we will content ourselves with submitting a memorial to you on behalf of these manufacturers. The American Manufacturing Company is engaged in the manufacture of three different articles. They make sisal and manila rope and cordage.

Mr. Metcalf has presented his argument to the committee, and we agree with him and agree to take a reduction in the amount of tariff on that. We also are engaged largely in the manufacture of jute twine, and we agree to take a reduction on that. Mr. Smith, who will speak later on, will represent us. We have asked for an increase in the duty on bagging. We ask for it because we compete with the lowest-priced labor in the world, namely, the Calcutta Indian labor. We ask for it because all our supplies and our machinery are taxed under the tariff now 45 per cent, and we call attention to the fact that after the adoption of the Wilson bill, when these articles were placed on the free list, there were engaged in the manufacture of these articles at that time nine separate corporations, and they have dwindled down to the present three; and we say that unless we receive a fair amount of protection these three will go out, as they are rapidly going out, of the manufacture of cotton bagging. That is

a calamity which will be visited alike upon our manufacturers and upon the farmer. It will ultimately place us at the mercy of the East Indian Calcutta combination, which we think is an evil.

EXHIBIT A.

NOVEMBER 25, 1908.

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

In addition to memorials signed jointly with other manufacturers, we wish to submit the following:

The manufacturing business now carried on by the Ludlow Manufacturing Associates was first started in 1848, under the name of the Boston Flax Mills. During this sixty years of development the business has grown from a very small mill employing a few hands to one of the largest textile plants in the country, with a maximum production of more than 100,000,000 pounds.

The works are situated at Ludlow, a suburb of Springfield, Mass. They include 30 acres of mill and warehouse floors, and a village for housing most of the operatives.

The industry is that of manufacturing jute, hemp, and flax goods, and is organized under six different departments, as follows:

First department, twines.

This department manufactures twines, the maximum yearly production being 11,000,000 pounds.

Under the act of 1907, paragraph No. 330, these twines are protected by a duty of 13 cents a pound. These twines are made of jute, which is free; of American hemp and tow, of rough flax, paying 1 cent a pound duty; of foreign hems and tows, paying \$20 a ton; and of mixtures of all these.

The present rate of duty is practically prohibitive as regards the importations of the coarser twines and fairly high for the finer sizes manufactured by us. It seems as if some adjustment would be desirable, reducing the duty on twines made from yarn not finer than 5 lea, or number, to 10 cents per pound, and retaining the present duty on the finer sizes, as these are flax-line goods.

Second department, hemp carpet yarns.

The maximum yearly production of this department is 3,500,000 pounds. These yarns are made almost entirely of foreign fiber, paying duties either 1 cent a pound or \$20 a ton. They are protected under clause No. 331. The sizes manufactured by us are dutiable at 7 cents per pound. From this must be deducted the duty on fiber actually in the yarns, say, 1 cent a pound plus the waste, equivalent to about $1\frac{1}{2}$ cents a pound, leaving a net protection of $5\frac{3}{4}$ cents per pound. Under this rate of duty practically no yarns have been imported, and we believe a very slight reduction could be made.

Third department, jute carpet yarns.

The maximum yearly production of this department is 36,000,000 pounds, made entirely from free raw material. The protective duty under clause No. 328 is 1 cent per pound and 10 per cent ad valorem for single yarns not finer than 5 lea, or number.

At this rate of duty large importations of jute yarn are made. In view of these large importations of jute yarn and of the continued tendency of American wages to increase in much greater proportion than in England and Germany, and also the possibility in the near future of the Calcutta mills entering into this branch of the jute business, we ask for a slight advance in this rate of duty.

Fourth department, webbing.

This is a narrow upholsterers' webbing, made mainly of jute. The maximum yearly production of this department is 1,800,000 pounds, protected under clause No. 341 at five-eighths cent per pound and 15 per cent ad valorem. This is a very small special trade that has not invited foreign competition, although receiving the same protection as burlaps, which can not be manufactured under this rate of duty.

Fifth department, bagging for covering cotton.

The maximum yearly production of this department with the machinery now installed is about 25,000,000 yards—enough to cover one-third of the largest cotton crop on record. The duty on this bagging under clause No. 344 is six-tenths of a cent per square yard, equivalent to three-fourths of a cent per running yard of the standard width of 45 inches, and forty-five one-hundredths of a cent per running yard for 27 inches.

In view of the very low wages paid by competing Calcutta mills and the large importations from India, we ask for a slight advance in this rate.

Sixth department, cordage.

The maximum yearly production of this department is 6,200,000 pounds. Under paragraph 329 the duty assessed is 1 cent per pound. We think that the industry can stand a slight reduction.

On three lines of our manufacture we advise a reduction; on two only a slight advance, and these two departments are those which compete with the starvation wages of India.

Respectfully submitted.

LUDLOW MANUFACTURING ASSOCIATES.
CRANMORD T. WALLACE, *President.*

EXHIBIT B.

NOVEMBER 18, 1908.

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: Your committee has given notice that on the 30th instant you will consider Schedule J of the tariff act. We beg to file notice of our intention to submit, at a later date, facts in justification of a revision of paragraph 344, which reads:

Bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, composed of single yarns made of jute, jute butts, or hemp, not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces per square yard, six-tenths of 1 cent per square yard.

The undersigned are manufacturers of bagging for cotton made from imported jute butts, and have large capital invested. When the Wilson tariff law was enacted, making bagging free, there were in operation upward of nine corporations or firms making these goods. Competition with foreign manufacturers during the life of said act, and with more efficient American mills under the present tariff, has reduced this number to three, who represent what is left of the bagging for cotton industry in the United States, other than workers of second-hand material.

The duty on cotton bagging is six-tenths of a cent per square yard. On the basis of the importations of 1907 and 1908 this represents an ad valorem duty of 9.78 per cent and 9.11 per cent, respectively. This we submit is not sufficient protection for an industry which is compelled to pay 45 per cent duty on all machinery and machine supplies; on other supplies we use, the industries making them enjoy protection ranging from 30 per cent to 45 per cent ad valorem; but our strongest appeal is on the ground of competition with the Calcutta (India) mills, where they sometimes run twenty-two hours a day, and employ labor at rates less than one-twelfth of that paid by American mills.

American manufacturers are now able to produce bagging sufficient to cover any possible cotton crop. Notwithstanding their efforts to compete, the importations from India are increasing every year, and have displaced a corresponding amount of American machinery which is now lying idle. If no check is given to importations from Calcutta, the time will soon come when the cotton growers will have to rely entirely on Calcutta mills, and thus be at the mercy of the existing combination there.

We submit that it is wiser to make such slight addition to the present rate of duty as will enable the American manufacturers to compete with Calcutta, rather than to wipe out all of this capital investment, throw so many hands out of employment, and turn over this large home market to the foreigner.

It is not our purpose, at this time, to set forth in detail our reasons for asking for adequate protection, in order to avoid being forced to abandon the manufacture. Our expensive mill equipment and acquisition of trained labor prompts us to hope that we may be able to furnish the cotton growers of the United States the larger part of their requirements, thus relieving them of dependence upon

the production of the cooly hordes of India, who subsist on a wage rate of from 25 cents to 75 cents per week.

The bagging manufacturers are the principal weavers of jute goods in the United States. Most of the other jute cloths are imported, the aggregate of such importations being in 1907 more than \$25,000,000 foreign value, and more than 450,000,000 yards.

Under the prevailing foreign cost of production the present rate of duty fails to afford a measure of protection, and the life of the present remnant of the cotton bagging manufacturing industry is in imminent peril.

When your committee considers this particular schedule (J) more in detail we wish to present figures to show the additional protection which we deem is necessary to counterbalance the lower wages paid in Calcutta, and also other very material handicaps which are felt by an American manufacturer.

Very respectfully,

THE AMERICAN MANUFACTURING Co.,
By JNO. M. MAURY, *Assistant Secretary*.
LUDLOW MANUFACTURING ASSOCIATES,
By CHARLES W. HUBBARD, *Treasurer*.
PENN BAGGING MFG. Co.,
MAX W. KRAUS, *Secretary-Treasurer*.

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**THE PHILIP CAREY MANUFACTURING COMPANY, CINCINNATI,
OHIO, ASKS FOR A SPECIFIC DUTY ON BURLAPS.**

CINCINNATI, OHIO, *December 1, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: We appeal to your committee to place burlap upon a specific basis of not to exceed five-eighths of a cent per pound.

The present duty on burlap is five-eighths of a cent per pound and 15 per cent ad valorem.

Burlap is produced from jute.

Jute is not grown in the United States.

Practically no burlap is manufactured in the United States. Ninety-nine and one-half per cent of the consumption in the United States is imported, leaving only about one-half of 1 per cent domestic manufacture.

Jute, from which burlap is made, can never be grown in the United States successfully, because of the low scale of wages in India and the cheapness of the article, and for the same reasons burlap can not be manufactured in the United States.

The value of labor used in the growing of jute and the manufacture of burlap in India is not to exceed 20 cents per day.

The importation of burlap into the United States, according to government statistics, is over 500,000,000 yards, while not more than 2,000,000 or 3,000,000 yards is actually manufactured in the United States.

In the manufacture of composition roofing we use, in conjunction with other materials, burlap.

Our consumption of burlap in the manufacture of roofing is about 7,000,000 yards per annum.

Burlap requires no protection.

It should, therefore, be placed upon a revenue basis only, and because of the cheapness of the article the duty should not exceed five-eighths of a cent per pound specific.

By placing burlap upon the basis recommended herein, no home industries would be injured, but, on the contrary, the American farmer and consumers of burlap generally in its different forms, such as roofing, bags, and the like, would be benefited.

We earnestly request the careful consideration of your committee to the above recommendation.

Respectfully submitted.

THE PHILIP CAREY MANUFACTURING COMPANY.

C. LEE McMILLAN, OF NEW ORLEANS, LA., FILES SUPPLEMENTAL STATEMENTS RELATIVE TO COTTON BAGGING.

NEW ORLEANS, *December 4, 1908.*

HON. JOHN DALZELL,

Committee on Ways and Means, Washington, D. C.

DEAR SIR: When on last Monday, the 30th ultimo, I had the honor of appearing before the Committee on Ways and Means, I, in answer to a question put by you, stated that I had "in bond" in New Orleans about 400,000 yards of cotton bagging. Permit me to now state that possibly the figure I named did not agree with that which was furnished you by the Treasury Department, but if such is the case I will thank you to kindly consider that Treasury figures on jute cotton bagging are based upon square yards, while the commercial yard is from 44 to 45 inches width, and in speaking of yards I naturally always think of the actual number of running yards in question.

In other words, when I buy or sell jute cotton bagging same is always 44 to 45 inches wide per running yard, so the present rate of duty, while same is six-tenths cent per square yard, costs never less than 0.7333 cent per commercial yard, and the cotton farmer, who uses upon an average not less than $6\frac{1}{2}$ yards per cotton bale, pays a tax of a fraction over $4\frac{3}{4}$ cents upon the bagging he uses on each bale grown, and if you will add the duty on steel cotton ties, which is five-tenths cent per pound, or $22\frac{1}{2}$ cents per bundle of ties, which covers, say, five cotton bales, you will observe the tax on said ties amounts to $4\frac{1}{2}$ cents, making a total of $9\frac{1}{4}$ cents protective duty paid as a tax on each cotton bale.

In closing I beg to state that I fully realize that, no matter what Congress decides to do about tariff on jute cotton bagging, I would naturally expect to pay present rate of duty on any goods I might happen to have in bond at time of passage of bill, since no previous tariff bill I can remember of was retroactive.

I trust you will understand my reason for sending this to you individually is because of the fact that it was in answer to a question put by you that I particularly desire to be clearly understood.

With kind regards, I beg to remain,
Yours, respectfully,

C. LEE McMILLAN.

NEW ORLEANS, *December 8, 1908.*

Hon. SERENO E. PAYNE,

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

DEAR SIR: In addition to my statement made before your committee on the 30th ultimo, I now ask to be allowed to submit the following in connection with the subject of jute bagging for covering cotton, which I requested you to place upon the free list.

The American makers, say, three in number, consisting of the American Manufacturing Company, of New York; the Ludlow Manufacturing Associates, of Boston; and the Peru Bagging Manufacturing Company, of Peru, Ind., own and control every mill in America now engaged in making new bagging for cotton.

The first two corporations agree at the beginning of each season upon a price to open the market at, and the small Peru company follows. An arbitrary list, showing differentials throughout the entire cotton belt is strictly followed, and the price named any given point by the American Manufacturing Company is exactly same as the one quoted same point by the Ludlow company.

Some years ago there were several independent mills engaged in this business, but the ones now surviving managed to drive the others entirely out by selling bagging below price at which the independents could make same at, and in the end the American Manufacturing Company bought such independent mills as the one in New Orleans, in Louisville, Ky., and in Galveston, Tex., and then dismantled same, shipped such machinery as was wanted to Brooklyn and St. Louis, and breaking up and selling for scrap the balance of the machinery. I think that the same process was followed when the American Manufacturing Company bought out their New York and Brooklyn rivals. When additional machinery has been required by the Americans, they have either had it made in this country, or they bought it second hand in Dundee and imported same free of duty.

There can be no doubts about the profits of the above-named concerns being very large (see how they have grown), and I ask you to take into consideration the great amount of low-grade jute butts and the vast amount of second-hand jute bagging they buy and make into yarns when you compare their cost with that of the Calcutta maker, who uses a much higher quality of raw material.

It is true that importations of this class of bagging have increased some during late years, but so has the size of the cotton crop increased very materially, say, from 6,700,365 bales in 1902 to 13,510,982 in 1906.

I beg to call your attention to the fact that during the past eight or ten years the American Manufacturing Company, through its various agents, have imported into this country from Calcutta the major part of all of this kind of cloth made in Calcutta, and I have known seasons when they bought every yard that Calcutta mills

could furnish. It is reported upon what I consider the best authority that the American Manufacturing Company, through its agents, has already secured from three of the Calcutta mills all of the bagging they can make from September, 1908, to August, 1909, and offers have been made to the remaining Calcutta mills by the American Manufacturing Company to take their output for the coming season. Portions of the above-mentioned purchase have already arrived here and same is being held by the local selling agent of the American Manufacturing Company.

The writer has never known of any combination existing among the Calcutta mills, and whenever I have cabled out there for prices no two mills ever named me the same figure upon any given date. If bagging was placed upon the free list to-day, I think the American makers would still be amply able to compete. As a matter of fact, the American Manufacturing Company turned out early this year 2-pound 45-inch bagging, at $6\frac{1}{4}$ cents per yard at the ports, while all that came from Calcutta cost about $1\frac{3}{4}$ cents per yard more, or say, about 8 cents landed, duty paid.

The largest revenue I remember as being paid the Government on jute cotton bagging during any one year did not exceed \$120,000, while the cotton farmer pays about one and one-quarter million dollars annually to the bagging and steel trusts, because of the present rate of duty on the articles he requires, which occupy the same position exactly as does binder twine, which is admitted free of duty.

Respectfully submitted.

Yours, faithfully,

C. LEE McMILLAN.

NEW ORLEANS, *December 4, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: Pray permit me to say, that in my recent testimony before your honorable committee I stated that, in my opinion, only about 20 per cent of the bagging used for covering last year's cotton crop was imported into this country.

If my memory serves me correctly, you stated that some "20,000,000 yards were imported during 1907," but I think you will find the Treasury Department furnished you with figures upon *square* yards, while the commercial yard is 44 to 45 inches wide, and bagging of such width is used according to the sections where cotton is grown, say from 6 to 8 yards per bale.

At the close of last season I received from the collectors of all the Atlantic and Gulf ports statements given in square yards, all bagging received during 1907, and when reduced to running yards, figures out slightly in excess of 15,000,000 yards, which is not over 20 per cent of total amount used in covering last year's small crop of 11,572,000 bales. The large increase in importations last season was to no small extent due to the high price of 10 to $10\frac{1}{4}$ cents per yard, at which bagging sold in America. This year I think you will find importations total considerably less, although cotton crop will be larger, but the price of bagging has been about 7 cents per yard.

In closing, it may not be amiss for me to state, that during many past years, the American Manufacturing Company, better known as the "bagging trust," has, through its various agents, been the largest importers of jute cotton bagging into America, and the writer is most reliably informed that the output for the coming season of the Hastings, Briggs, and Kinnison Mills, of Calcutta, has been contracted for by those in control of the American Manufacturing Company. I can furnish proof of the above statement if your committee desires same.

Thanking you for the kind consideration your committee recently accorded me, I beg to remain,

Respectfully, yours,

C. LEE McMILLAN.

**J. ROSS COLLINS, IMPORTER, NEW YORK CITY, ADVOCATES A
SPECIFIC DUTY OF ONE CENT PER POUND ON BURLAP.**

NEW YORK, *December 11, 1908.*

SECRETARY TARIFF REVISION COMMITTEE,
Washington, D. C.

SIR: I have been an importer of burlap and a manufacturer of bags for the past twenty-one years.

I beg to submit that if there is any change in the schedule on burlap, holding to a duty, and not making the goods free, that the duty be made uniform at the rate of, say, 1 cent per pound, instead of at five-eighths of a cent per pound, and 15 per cent ad valorem, and I respectfully inclose letters from two Dundee exporters that this would be simple and uniform. Such a rate of duty would also do away completely with the vexatious problem of value of the goods at the time of export, which causes at times considerable loss to the innocent importer, for the reason that when an importer of burlap in this country buys goods at, let us say, 2 pence per yard in Calcutta, perhaps two or four months in advance of the date of shipment, making his contract for monthly shipments and basing his duty cost for his entire purchase (which he may have sold to a consumer here) upon the value at the time of the purchase, and the market advances, the ad valorem rate causes him a loss of the difference between his purchase price and the market price at the time the goods happen to be forwarded. On the other hand, if the market declines, the importer still has to pay his ad valorem duty upon his purchase price.

I do not believe that the Government means to be as "one-sided and unfair" in the collection of duties as this, and that such a state of affairs merely requires the attention of an unprejudiced committee like yourselves to be rectified. The simplest way of rectifying it is to collect duty by the pound. The bales are weighed here on the dock, verifying the weights of the goods as stated on the outside of each bale, which weights are again stated on the consular invoices, and this would entirely do away with the ad valorem unfairness.

Personally, and as a bag manufacturer, the writer is in favor of free trade on burlap and a duty on manufactured bags. The great bulk of burlap now comes from India, where labor is worth on an average about 20 cents per day. The wider and finer grades are

made in Dundee, where average mill labor is about 70 cents per day. No jute is grown in America, and it is quite impossible for labor conditions in this country at present to get down to a basis where they can compete with such wages. If the duty upon manufactured bags is kept where it is at present, or is put to a uniform price of, say, 2 cents per pound, while burlap is put on the free list, without wearying your board with statistics, I can state that the cost of flour to every consumer in the country could be reduced one one-hundred-and-twentieth of a cent a pound, and the farming community would be greatly benefited, because all the bags that move produce throughout the country would be cheaper; fertilizer bags would be cheaper—burlap used in wrapping furniture would be cheaper—and no American industry would be hurt, because we do not make burlap in this country. In fact, on the contrary, it has been my invariable experience that the cheaper an article is the more it is consumed, and if bags were cheaper through burlap being free, more people would be employed in this country making them, provided that the duty upon new bags and second-hand bags imported to this country is sufficient to keep them out. Millions and millions of second-hand bags are brought back to this country now, employing thousands of people in Europe, gathering, repairing, baling, and shipping them back here. They should not come here. We should be making those new bags in this country and paying those wages here. There would be more benefit in the payment of the wages and in the employment of the people than in the collection of the duty, and if the revenues of the country will stand it, in my opinion, burlap is one of the items that should be restored to the free list, as it was at the time of the Cleveland administration, always provided, however, that the new and second hand bags are made dutiable. And I am not a Democrat.

Permit me to add one more fact: Porto Rico, now one of ourselves, and Cuba, with a reciprocal duty in our favor (and which will very likely become one of ourselves), use between them about 10,000,000 of very fine large heavy sacks for exporting sugar. India gets all that trade, and yet Cuba and Porto Rico are at our doors. Those bags are made by hand, and thousands of people are employed making them every year.

The collection of a duty upon bags in this country and Porto Rico, and the enforcement of the present duty in Cuba, with the reciprocity clause favoring us here in Cuba, and the admission to this country of those goods made in India just the same, but brought here free, would probably start a bag factory in Porto Rico and one or two in Cuba with American money, or, if not there, would start several bag factories in this country making this one kind of bag in particular for the West Indies trade.

Respectfully,

J. ROSS COLLINS, *Importer.*

EXHIBIT A.

DUNDEE, November 27, 1908.

Mr. J. ROSS COLLINS, *New York.*

DEAR SIR: We are very glad to hear that there is a probability of making the rate on burlaps 1 cent per pound, doing away with the ad valorem duty. This certainly would be great saving of details and ought to facilitate business considerably.

We sincerely hope the proposal will go through.

Yours, very truly,

J. MOLLISON KIDD & Co.

EXHIBIT B.

DUNDEE, November 24, 1908.

JAMES ROSS COLLINS, Esq.,
New York.

DEAR SIR: Your favors of 16th with acceptance, for which we are obliged.

We presume it is not the consular invoice which you desire in triplicate, but our trade "Statement," and we send you two more copies of the last. The customs have to do only with the consulated invoice.

We certainly agree with you as to the simplicity and advantages generally of a uniform duty of 1 cent per pound on burlaps and no ad valorem duty. Some importers who are in the lower class end, such as Calcutta burlaps and cheap baggings, might be placed at a disadvantage as against dealers in finer sorts. For instance, you can get 10½-ounce/40 burlaps ordinary at about 2 pence, whereas fine \diamond C quality might run to 4½ pence per yard. Both would pay the same duty under the method you propose.

We have added 1,000 yards to your order, as desired.

Yours, truly,

W. G. IRVING & Co.

EXHIBIT C.

[Duplicate.]

DUNDEE, November 18, 1908.

Jas. Ross Collins, esq., New York, to W. G. Irving & Co. Forwarded per Anchor Line S. S. California to New York. Freight paid. Terms, as usual.

\diamond B	No. 810, 1 bale, 14 pcs. 40''	No. 7660 \diamond C	canvas, 2870 at 4. $\frac{5}{16}$ d.	£51	11	5
Great Britain.	No. 811, 1 bale, 14 pcs. 24''	do	2893 2. $\frac{15}{16}$ d.	33	18	1
				85	9	6
2 per cent discount.....				1	14	2
				83	15	4
Consul, 10/4; stamp, 1/-; collecting, 6/4.....					17	8
				84	13	0

	Gross weight.	Tare.	Meast.
No. 810.....	cwt. 21 3 19	28 lbs.	48/2''
No. 811.....	cwt. 13 1 3	16 lbs.	27/4''

E. & O. E.

EXHIBIT D.

[Triplicate.]

DUNDEE, November 18, 1908.

Jas. Ross Collins, esq., New York, to W. G. Irving & Co. Forwarded per Anchor Line S. S. California to New York. Freight paid. Terms, as usual.

C B C	No. 810, 1 bale, 14 pcs. 40'' No. 7660	C	Canvas, 2870, at 4.1 ⁵ / ₈ d.	£51 11 5
Great Britain. No. 811, 1 bale, 14 pcs. 24'' No. 7660				C
2.1 ⁵ / ₈ d.....				33 18 1
2 per cent discount.....				85 9 6 1 14 2
Consul 10/4; stamp 1/-; collecting 6/4.....				83 15 4 17 8
				84 13 0
		Gross weight.	Tare.	Meast.
No. 810.....	Cwt. 21 3 19		28 lbs.	48/2''
No. 811.....	Cwt. 13 1 3		16 lbs.	27/4''
E. & O. E.				

BEMIS BROTHERS BAG COMPANY, BOSTON, OBJECTS TO PROPOSITION TO ASSESS DUTIES ON DOMESTIC VALUATION.

BOSTON, MASS., December 22, 1908.

Hon. S. E. PAYNE,

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

DEAR SIR: We notice there is some talk of assessing ad valorem duties on American market values instead of foreign market values.

So far as burlaps and burlap bags are concerned we protest against this change. We have asked to have the present compound duty on burlaps and burlap bags changed to a simple specific duty, and if this is done we would not be affected by changing from foreign to American values for ad valorem duties on other goods. We hope that the new duties on burlaps and burlap bags will be simple specific duties, but if the new duties are all or part ad valorem we would consider it very unfortunate to change from the foreign market value to the American market value.

There is no market here in which the price of burlaps could be fixed with any accuracy. There is no exchange where such goods are dealt in, and the various large dealers have comparatively little intercourse with each other. Each one makes his own price without knowing what the others would call the market price of the day.

If we must have ad valorem duties, it is much more convenient and satisfactory to have them assessed on the foreign value as at present. There is a market in Calcutta where the price can be defined a good deal more accurately than it could be here. We consider ad valorem duties troublesome and unsatisfactory anyway where specific duties can conveniently be used, but they would be still more troublesome and unsatisfactory if assessed on American market price.

Yours, truly,

BEMIS BROS. BAG Co.
A. V. PHILLIPS,
Assistant Treasurer.

BEMIS BROTHERS BAG COMPANY, BOSTON, MASS., FILES SUPPLEMENTAL STATEMENT GIVING THE PRICES OF BURLAP BAGS FOR A NUMBER OF YEARS.

BOSTON, MASS., *December 24, 1908.*

The Hon. S. E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: Schedule J, burlaps and burlap bags. Complying with a request made at the hearing on November 30, we now submit a statement showing comparative prices of one style of burlap bag, which will probably give the information desired. The prices are only approximate and represent only about what our own selling price would have been on the dates given for the bag in question. Prices are per thousand bags. We can not conveniently give the prices further back than 1894.

[40 x 46, 8 oz.]

Year.	Jan. 1.	July 1.
1894.....	\$56.50	\$54.00
1895.....	40.00	40.00
1896.....	42.50	42.50
1897.....	42.50	44.50
1898.....	41.00	44.00
1899.....	43.50	47.50
1900.....	59.50	52.45
1901.....	58.25	56.50
1902.....	52.50	52.50
1903.....	52.00	53.25
1904.....	51.25	50.00
1905.....	55.75	57.00
1906.....	68.00	71.00
1907.....	76.25	79.50
1908.....	68.50	60.50

Yours, truly,

BEMIS BROS. BAG CO.,
A. V. PHILLIPS,
Assistant Treasurer.

E. S. HALSTED & CO., NEW YORK CITY, URGE THE IMPOSITION OF A SIMPLE SPECIFIC DUTY ON BURLAPS.

89 STATE STREET,
Boston, Mass., December 30, 1908.

HON. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We inclose a letter from Messrs. E. S. Halsted & Co., New York, urging a straight specific rate, whether any change is made in the amount of duty or not, and we heartily agree with them that, in any event, we should have a simple specific duty and not an ad valorem duty or a compound duty.

Yours, respectfully,

BEMIS BROS. BAG CO.,
A. V. PHILLIPS.

75 AND 81 PEARL AND 42 AND 48 STONE STREET,
New York, December 29, 1908.

THE BEMIS BROTHERS BAG COMPANY,
Boston, Mass.

GENTLEMEN: Yours of the 28th instant received, and we note your remarks in regard to the possible tariff revision. In reading over the testimony given before the Ways and Means Committee, we must say that we were very much disappointed to find that the wishes of the bag men, as expressed at the New York meeting, to the effect that "even though there was no reduction in the tariff, that the same be changed to a specific duty instead of a compound duty," were not especially emphasized in the testimony of Mr. Phillips or of any of the other representatives of the bag interests appearing before this committee.

This particular phase of the tariff was referred to in a rather superficial manner only, and we think, taking into consideration the fact that almost a unanimous expression of opinion was made at the meeting of the bag men in New York to the effect that they desired a specific duty, that a very urgent request should have been made before the committee to the effect that "even though no increase or reduction should be made in connection with the duty on burlap, that they at least change the form of duty so that it should be a specific duty instead of a compound duty, as at present," and we personally are very much disappointed to note that so slight attention was given to this matter.

Yours, truly,

E. S. HALSTED & Co.,
Manufacturers of Bags and Bagging.

**THE MILLERS' NATIONAL FEDERATION INDORSES THE PROPOSAL
 FOR STRAIGHT SPECIFIC DUTIES ON BURLAPS.**

911 ROYAL INSURANCE BUILDING,
Chicago, December 31, 1908.

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

SIR: We have studied carefully the request of the bag manufacturers for a change in duty on burlaps and burlap bags; have weighed their arguments before your committee for change in duties, and we believe that the interest of the milling industry, all things considered, will be best furthered in this matter through your incorporation into the proposed tariff law the rates of duty of 1 cent per pound specific on burlaps and 1½ cents per pound on burlap bags, as requested.

We speak in behalf of the Millers' National Federation, the national organization of the milling industry, which, as you are aware, is probably the largest user of burlap bags of any industry in the country, and trust that the importance of the matter to us, and the size of the industry making the request, may favorably influence the decision of your committee to the changes above specified.

Yours, respectfully,

MILLERS' NATIONAL FEDERATION,
 A. L. GOETZMANN, *Secretary.*

A. V. PHILLIPS, OF BOSTON, SUBMITS REQUESTED SCHEDULE OF SPECIFIC RATES FOR BURLAPS AND BURLAP BAGS.

89 STATE STREET,
Boston, Mass., January 4, 1909.

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

DEAR MR. PAYNE: Replying to your request for detailed information about the specific equivalent of the present compound rates of duty on burlaps and burlap bags, I beg to give you the following figures:

The present market price of burlaps happens also to be just about the average price of burlaps for the ten-year period from 1896 to 1905. These market prices are, therefore, fair average prices upon which to base a general calculation. We quote two of the most important standard lines of burlaps which are most largely imported and which are used as basis for calculating prices of other goods.

The price is given in rupees per 100 yards f. o. b. Calcutta. The other figures are cents per yard.

Goods.	Price per 100 yards, f. o. b. Calcutta.	15 per cent duty.	Five-eighths cent per pound duty.	Total duty per yard.	Equals specific per pound.
	<i>Rupees.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
40-inch 8-ounce burlap cloth.....	8.0	0.390	0.317	0.707	1.414
40-inch 10½-ounce burlap cloth.....	10.0	.487	.416	.903	1.376
Frisco wheat bags, 12-ounce.....	12.8	.61	.66	1.27	1.69

We also give you below the figures for the extreme highest and extreme lowest prices which have been touched for short periods during the past fifteen years, but these figures have each appeared only once in the fifteen years, and being such exceptions to the normal condition we think that too much notice should not be taken of them.

Goods.	Price.	15 per cent.	Five-eighths cent per pound.	Total.	Equals specific per pound.
	<i>Rupees.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
40-inch 8-ounce.....	5.10	0.274	0.317	0.591	1.182
40-inch 10½-ounce.....	7.8	.365	.416	.781	1.190
40-inch 8-ounce.....	14.0	.682	.317	.999	1.998
40-inch 10½-ounce.....	17.4	.840	.416	1.256	1.914

If there were any large burlap industry requiring protection, there might be room for argument as to whether there should not be some change in the duty per pound at times when the market price is much higher or lower than normal. But there is no question of protection involved. The duty is only a revenue duty, and from a revenue standpoint 1 cent per pound on the cloth and 1½ cents per pound on the bags is equally suitable, no matter whether the market happens to be normal or high or low.

So we think we can safely say that there is no need of adjusting the amount of the duty to different market levels. The straight specific duty would be equally satisfactory at all market levels.

If any further information is desired, any request from you will have our immediate and best attention.

Yours, respectfully,

BEMIS BROS. BAG Co.,
A. V. PHILLIPS.

**E. R. BIDDLE, OF JAMES SCOTT & SONS, NEW YORK CITY, SUGGESTS
NEW CLASSIFICATION FOR BURLAP FABRICS.**

NEW YORK LIFE BUILDING, 346 BROADWAY,
New York, January 6, 1909.

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

GENTLEMEN: Inclosed herewith I beg to inclose recommendations for rates of duties on burlap coming under paragraphs 341 and 346 tariff act of 1897, which I trust may be favorably considered by your honorable committee. Should there be any other information you think I can give, or if I can be of service to you in any way I will be glad to have you call on me.

The article burlap is not mentioned in the Dingley tariff act of 1897, but it is described in paragraph 341 when a "plain woven fabric of single jute yarns" is mentioned, viz:

341. Plain woven fabrics of single jute yarns, by whatever name known, not exceeding sixty inches in width, weighing not less than six ounces per square yard, and not exceeding thirty threads to the square inch, counting the warp and filling, five-eighths of one cent per pound and fifteen per centum ad valorem; if exceeding thirty and not exceeding fifty-five threads to the square inch, counting the warp and filling, seven-eighths of one cent per pound and fifteen per centum ad valorem.

Manufacturing of burlap is not one of the industries of this country, none being made in the United States except in the state prisons of California and Oregon, to give employment to convicts, although the inducement was never greater than under the Dingley bill, jute, the raw material, being on the free list and the duty on the manufactured article being higher than in any previous tariff bill; therefore the duty collected is for revenue only and not required to protect an American industry.

Burlaps exceeding 60 inches in width is the principal raw material out of which linoleums and floor oilcloths are made, and when exceeding 60 inches in width comes under paragraph 346, "As not specially provided for," and pays 45 per cent ad valorem; whereas burlaps not exceeding 60 inches in width, weighing not less than 6 ounces to the square yard, and not exceeding 30 threads to the square inch, counting the warp and filling (which is the same in every respect, except the matter of width as is used for making linoleums and oilcloths), comes under paragraph 341 at five-eighths of 1 cent per pound and 15 per cent ad valorem, the ad valorem equivalent of this compound duty being about 25 per cent.

I therefore recommend that all burlaps, irrespective of width, shall pay the same rate of duty, whatever that rate may be.

As burlap manufacturing is not one of our industries, the duty collected is for revenue only, and not to protect an American enterprise. I recommend that the rates in the present Dingley bill on all burlaps, irrespective of width, weighing not less than 6 ounces to the square yard and not exceeding 30 threads to the square inch, counting the warp and filling, now paying five-eighths of 1 cent per pound and 15 per cent ad valorem, be reduced to three-eighths of 1 cent per pound and 10 per cent ad valorem; if exceeding 30 and not exceeding 55 threads to the square inch, counting the warp and filling, now paying seven-eighths of 1 cent per pound and 15 per cent ad valorem, be reduced to five-eighths of 1 cent per pound and 10 per cent ad valorem.

JAMES SCOTT & SONS,
E. R. BIDDLE, *Vice-President and Treasurer.*

H. D. COOPER, OF NEW YORK CITY, SUGGESTS SCHEDULE AND CLASSIFICATION FOR BURLAPS AND LINENS.

MONDAY, *November 30, 1908.*

Mr. COOPER. Mr. Chairman and gentlemen, I do not propose to submit any argument, as I assume you are fully acquainted with the circumstances and have gone over them very carefully; but encouraged by the statements made by the party during the campaign and also by Mr. Taft we thought it only right to come here and present a request that your committee consider the subject of burlaps and linens and varieties of jute goods, and give us some moderate reduction in the tariff. We do not ask for any extreme reduction, we do not wish to destroy anything that is existing, but we wish a moderate reduction, and I propose to submit to you a statement giving the figures on the duties that we think would yield a revenue—would not decrease the revenue to any material extent—and at the same time would enable a great many people who are using these linens as raw material in their business to be better fitted to cope with conditions.

There is one point I would like to draw to your attention, and that is that previous to the present time all burlaps paid the same rate of duty. In the Dingley Act there was a limit made at 60 inches, a compound duty under 60 inches, which produced a tariff varying on the cost of the goods in the original market somewhere between 25 and 32 per cent—on an average I should think about 26 per cent—and on goods 60 inches wide and over there was a demand made for 45 per cent. That 45 per cent duty relates almost entirely to the raw material, or foundation cloth, of which linoleum and oilcloth are made. Those goods have not been manufactured in this country, except for a few weeks after the present bill went into effect, and it has been a burden amounting to something like \$200,000 per annum on the manufacturers of oilcloth and linoleum; and I am not authorized to speak for them, but I know they would be very glad to have relief; and if your committee deems it wise, we would ask you to strike out, or eliminate, the phrase "goods over 60 inches in width."

On the matter of linens we have drawn up rates of duty in which

the wording corresponds exactly with the present law. One of the greatest difficulties that manufacturers in this country and importers also suffer under is the tremendous chaos that follows the passage of a new act. There is great difficulty experienced in determining what the various classifications mean. Some people who have not a very large business become very adroit in evading the classifications, and the Government sometimes allows goods to go through for a while at a lower rate of duty than possibly it should. At other times it exacts a higher rate of duty than is determined later it should have exacted. So there is an unevenness and inequality and unfairness all the way through. I know that my firm had something like 1,400 importations of goods that had to come up before the Board of Appraisers. I ask you to as far as possible conform exactly to the present bill in its wording, changing the rates wherever you may. I think it would simplify very much the work of the committee, and would allow the business community to know instantly where it stands, instead of keeping the matter open for one or two years before the courts. I submit the rate of duty here and ask leave to make a variation in the rates before the 4th of December, in case it is found necessary. The rate of duty is only a moderate reduction in line with a fair revenue, and also in line with cheapening what is often the cost of material to the manufacturers as well as to the average consumer.

**BRIEF SUBMITTED BY H. D. COOPER, NEW YORK CITY, RELATIVE
TO DUTIES ON FLAX AND JUTE GOODS.**

WASHINGTON, *November 30, 1908.*

WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: The undersigned, representing importers and dealers in flax and jute goods, would respectfully make the following statement:

Instead of the present rates in Schedule J, paragraphs 339, 341, 345, 346, and 347, we would respectfully propose the following alterations:

Paragraph 339, laces, lace window curtains, tidies, pillow shams, bed sets, insertings, flouncings, and other lace articles, handkerchiefs, etc., from 60 per cent to 50 per cent.

Paragraph 341, plain woven fabrics of single jute yarns, etc., from five-eighths cent per pound and 15 per cent to three-eighths cent per pound and 10 per cent, and from seven-eighths cent per pound and 15 per cent to five-eighths cent per pound and 10 per cent. The limitation of 60 inches in width to be eliminated.

Paragraph 345, handkerchiefs, etc., from 50 per cent to 40 per cent; if hemstitched, etc., from 55 per cent to 45 per cent.

Paragraph 346, woven fabrics or articles not specially provided for in this act, composed of flax, hemp, ramie, etc., weighing $4\frac{1}{2}$ ounces or more per square yard, not more than 60 threads to the square inch, from $1\frac{3}{4}$ cents per square yard and 30 per cent to $1\frac{1}{2}$ cents per square yard and 15 per cent; not more than 120 threads to the square inch, from $2\frac{3}{4}$ cents per square yard and 30 per cent to $2\frac{1}{2}$ cents per square yard and 15 per cent; not more than 180 threads to the square inch,

from 6 cents per square yard and 30 per cent to $4\frac{1}{2}$ cents per square yard and 15 per cent; more than 180 threads to the square inch, from 9 cents per square yard and 30 per cent to $7\frac{1}{2}$ cents per square yard and 15 per cent.

The provision that none of the foregoing articles in this paragraph shall pay a less rate of duty than 50 per cent shall be altered to 35 per cent.

Woven fabrics of flax, hemp, or ramie, including such as is known as shirting cloth, weighing less than $4\frac{1}{2}$ ounces per square yard, and counting more than 100 threads to the square inch, 35 per cent.

Paragraph 347, all manufactures of flax, hemp, or ramie, or other vegetable fiber, etc., not specially provided for, from 45 per cent to 35 per cent; union goods composed of cotton and linen, 35 per cent.

H. D. COOPER.

REPRESENTATIVES OF THE LINEN ASSOCIATION OF NEW YORK CITY SUGGEST NEW CLASSIFICATION FOR BURLAPS.

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

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

GENTLEMEN: I would respectfully submit the following argument in support of the proposed rates which accompany this memorial to your respected body.

Burlaps have been on the free list, and have also paid varying rates of duty, and at present are paying a compound duty, which we should like modified as per the memorial, which we will personally submit. Burlap is used largely in the manufacture of sacks for grain, agricultural products, mining products, fertilizers, sugar, and for baling various articles of merchandise, and is an article of necessity. It is not produced in this country. Any reduction in the tariff would therefore assist almost every variety of business, from the farmer to the cotton and woolen mill. The cotton mills and the woolen mills and many other manufacturers of goods in this country use burlap for baling covers, and many of them use the burlap for exporting cotton goods. Any reduction in the duty which reduces the value of burlap reduces the cost of bale covers and sacks, and enables all manufacturers competing for foreign trade to cheapen their goods to the extent afforded by any relief in duty which you extend to these goods.

Bagging for cotton and similar fabrics suitable for covering cotton as described in paragraph 344, has been argued very fully before the Ways and Means Committee, many people demanding that these goods come in free. We believe that all imports coming into the country should pay some moderate duty to contribute to the revenue of the country, as they enjoy the benefits of its courts and protection of its laws, making commerce possible. We would therefore suggest a rate of duty of three-tenths of a cent per square yard as being a fair compromise between the present duty retained and the large bulk of people who demand free bagging.

At one time, because certain people thought they might go into the manufacture of wide burlaps, which are used as a foundation

for linoleum and oilcloth, they had an extra duty of 45 per cent placed on all goods above 60 inches in width. Inasmuch as this is imported almost entirely as a raw material for the manufacture of oilcloth and linoleum, and inasmuch as these goods are not made in this country, we recommend the rate of duty on burlaps apply to all widths, and that the phrase "not exceeding 60 inches in width" be stricken out. This will harm no one, except possibly some new theorist who may come before you during these hearings, and will give to the manufacturers goods at a much lower cost, which will enable them to supply this entire country with cheaper linoleum and oilcloth goods, will increase the consumption of these burlaps, and benefit a large industry without harming any existing industry in this country. This is earnestly desired by oilcloth and linoleum manufacturers, as I know. They will so state if asked to reply on this point.

Linen goods have paid since 1857 a duty of 24 per cent, 25 per cent, 30 per cent, 35 per cent, and 40 per cent. To-day they are paying a duty ranging from 35 per cent to 55 per cent and even 60 per cent. As the duty is a compound duty this does not always show quite clearly. There have been a number of companies started, some very large ones at Fall River, one-third of a century ago, which have gone out of the linen business, and into the larger and more profitable cotton trade. Among these may be cited the American Linen Company, of Fall River; Willimantic Linen Company, and Sprague Linen Company. Many others since that time have found the business too unprofitable to continue. There have been since the introduction of the present tariff many failures, and the speaker has in mind at this time some seven concerns that are out of business, or practically out of business. The last linen schedule was made because certain large interests in New England (Boott Mills, of Lowell, Mass.) proposed to go into the linen business, but like most other projected concerns already referred to no serious effort after the law was passed was made to engage in the linen business, and the consumers of the United States have been paying a rate of duty some 15 per cent or 20 per cent too high, simply because certain theorists conceived the idea that they would like to go in the linen business, and made rather strong statements to induce Congress to pass a law which would make the business profitable for them.

At a moderate estimate \$16,000,000 in excess of a fair rate has been taken out of consumers during the life of the present tariff. The linen industry is not a large one, nor do statistics prove that it is a growing one. The imports for the year 1908 according to the Treasury statistics will probably figure out to be not over \$14,000,000—much less than in 1907 and less than in 1906. The increase in the consumption of linens has not kept pace with the increase in population nor the increase in trade in other branches. The tendency is to use more and more cotton goods. It is therefore not a large and growing industry, and it is not wise for any individual or corporation to embark in it. There is one concern in this country which manufactures roller toweling, which has manufactured roller toweling under various tariffs, and was able to stand up against lower duties before, and should be able to do so again. There are a few small concerns manufacturing products of cotton and linen, but they are of no moment whatever, as compared with the size of other industries, nor

should they be considered to any great extent as compared with the consumer.

The high tariff, in other words, has been a burden on the consumer and has had no industry of any particular moment to protect on this side. A fair reduction in duty would enable many goods to come in which would enable the average household to have linen on its table instead of making linen goods so high through high tariff that this is impossible. Furthermore, a reduction in duty will reduce the cost of many articles in the way of linen paddings which go into the manufacture of ready-made clothing, and which is a raw material with the clothier. Lower prices would enable the clothier to turn out cheaper clothing to the masses in this country. We do not ask for any severe reductions.

Furthermore, we would suggest that the present wording and classification of the bill be allowed to stand. One of the serious burdens on business has been that each time the tariff bill has been changed it has taken about two years to fight out before the Board of Appraisers and the United States courts just what is meant by the bill and to determine accurately the classifications. This has been a great loss to the consumer and the importer, much money having gone to revenue lawyers, and has occasioned unnecessary loss and indecision on the part of the importer and domestic manufacturers as well.

Therefore we recommend that in Schedule J, at least, the original wording of the bill be preserved, and that the rates alone be changed. This will save all contests and all uncertainties and will relieve the business community of one of the worst burdens entailed upon it by a tariff change.

We recommend a duty which shall be 35 per cent as the minimum duty for pure linen goods, and a compound duty which at times would run something above the minimum 35 per cent rate.

Inasmuch as there have been frequent clashes between the Government and importers on union goods composed of cotton and linen, we would suggest that all union goods having any linen in the composition pay a rate of 35 per cent.

This will all tend to simplicity, will relieve the Board of Appraisers of many thousands of cases, will protect the Government against the dishonest or sharp importer who might endeavor to take advantage of new classifications unfairly. I would say that in the case of my own firm, at one time we had something like fourteen hundred shipments which were up before the Board of Appraisers for adjustment because of complications of classifications, all of which have since been straightened out. Similar trouble will never clog the Government records on any new bill if the present nomenclature and classifications are retained.

Instead of the present rates in Schedule J, paragraphs 339, 341, 345, 346, and 347, we would respectfully propose the following alterations:

Paragraph 339: Laces, lace window curtains, tidies, pillow shams, bed sets, insertings, flouncings, and other lace articles, handkerchiefs, etc., from 60 per cent to 50 per cent.

Paragraph 341: Plain woven fabrics of single jute yarns, etc., from five-eighths cent per pound and 15 per cent to three-eighths cent per pound and 10 per cent, and from seven-eighths cent per pound and

15 per cent to five-eighths cent per pound and 10 per cent. The limitation of 60 inches of width to be eliminated.

Paragraph 345: Handkerchiefs, etc., from 50 per cent to 40 per cent. If hemstitched, etc., from 55 per cent to 45 per cent.

Paragraph 346: Woven fabrics, or articles not specially provided for in this act, composed of flax, hemp, ramie, etc., weighing $5\frac{1}{2}$ ounces or more per square yard, not more than 60 threads to the square inch, from $1\frac{3}{4}$ cents per square yard and 30 per cent to $1\frac{1}{2}$ cents per square yard and 15 per cent; not more than 120 threads to the square inch, from $2\frac{3}{4}$ cents per square yard and 30 per cent to $2\frac{1}{2}$ cents per square yard and 15 per cent; not more than 180 threads to the square inch, from 6 cents per square yard and 30 per cent to $4\frac{1}{2}$ cents per square yard and 15 per cent; more than 180 threads to the square inch, from 9 cents per square yard and 30 per cent to $7\frac{1}{2}$ cents per square yard and 15 per cent. The provision that none of the foregoing articles in this paragraph shall pay less rate of duty than 50 per cent shall be altered to 35 per cent.

Woven fabrics of flax, hemp, or ramie, including such as is known as "shirting cloth," weighing less than $4\frac{1}{2}$ ounces per square yard and counting more than 100 threads to the square inch, 35 per cent.

Paragraph 347: All manufactures of flax, hemp, or ramie, or other vegetable fiber, etc., not specially provided for, from 45 per cent to 35 per cent. Union goods composed of cotton and linen, 35 per cent.

HENRY DODGE COOPER,
President Linen Association of New York.

Representing 14 concerns in New York City.

LINENS.

[Paragraph 346.]

ADOLPH SIMON, MERCHANT, BALTIMORE, MD., PETITIONS FOR A DECREASE OF DUTIES ON ALL LINEN FABRICS.

BALTIMORE, *November 14, 1908.*

HON. SERENO E. PAYNE,

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

DEAR SIR: Permit me, as a merchant, tortured with calculations of the duties on linens under our present tariff, to put in my plea. I have recently spent four hours calculating an invoice of linens from Scotland, it only costing \$579 in Scotland, on which was paid \$303 for duties—53 per cent.

The object of the Dingley tariff being protection of our home manufacturers, with incidental revenue, it follows that any class of manufactured productions that are not, or can not, owing to natural causes, be produced in the United States at a paying price, that such articles should not have a duty placed on them in our tariff law, as there does not exist any struggling manufacturer to protect, nor are said duties even needed for revenue—the Government of the United States having a large surplus income.

The intelligent dealer in linen fabrics knows that, excepting an article of coarse grade of unbleached crash made by a Mr. Stevens, of New England, and some half-cotton linen towels, there are not any linens manufactured in the United States; not any table damask, either bleached or unbleached; not any linen damask napkins; not any shirting linen; not any pillow-case linen or linen sheeting; not any towelings, such as "diaper" or "huckaback;" not any of the medium and better qualities of linen towels; not any linen "Holland," dowlas, or linen drills; not any linen furniture covering; not any linen cambric in its many varieties; nor any other kinds of linen fabrics that consumers need, outside of the two exceptions mentioned—not any of these are made in the United States.

It is asked, why? Costly experiments have been made that resulted in loss and failure—notably in a Western State, where several hundred thousand dollars were sunk in the experiment to manufacture some of the linens mentioned—and why? Simply because the climate of this country has that effect on the flax plant, out of the fibers of which linen threads are made, to cause the plant to develop too quickly, so that the stalk of flax does not mature in a way to produce a strong enough fiber of sufficient length to enable the spinner to twist the fibers into a thread. Thus it is impossible to grow flax in the United States that will produce a practical fiber for use in textile fabrics—the climate will not allow it. The producer who raises flax in the United States gets a fine and paying crop of flaxseed, but when he tries to utilize the fiber he will find it so brittle that when manipulated as flax fiber should be, it breaks up into pieces that are so short and stiff that they can not be made into a twisted thread, which is the foundation of all textile fabrics. Thus all those who have attempted to weave the medium and finer grades of linen textures in the United States have found, by costly experience, that the business did not pay—why? Because they had to import their linen yarns saddled with a high rate of duty. Flax, to develop a fiber that can be twisted into a thread, must be grown in a moderately moist and cool climate, such as that of Ireland, north of Germany, and parts of Russia, particularly in the neighborhood of the Caspian Sea. Large quantities of American flax have been sent to Ireland to be there properly prepared, by soaking some three weeks in water, and after being manipulated the same way as European flax, with the strictest attention, so that after being put through all the usual processes, this American flax, when dried, proved to have a fiber so brittle that it could not be twisted into a thread suitable for use in making a linen cloth of the better qualities.

Now, what do the duties of 50 per cent and more that are levied in the Dingley tariff on linen goods protect? Who are the United States manufacturers whose profits are protected? The answer is, there are none, excepting the manufacturers of linen collars, cuffs, and shirt fronts at and in the neighborhood of Troy, N. Y., who understood how to induce the congressional committee that compiled the Dingley tariff to allow the old duty of 35 per cent to remain on plain bleached shirting linen.

As the income of the United States Government produces a large surplus, it surely ought to be apparent that for the sake of revenue the old duty of 35 per cent on all linens is fully sufficient.

The least that honorable men can do, having the welfare of their fellow-citizens to care for, desiring "the greatest good to the greatest number," when legislating on tariff duties, is to restore the old duty of 35 per cent on all linens and repeal the duties on linens of $2\frac{3}{4}$ cents per square yard and 30 per cent; 6 cents per square yard and 30 per cent; 9 cents per square yard and 30 per cent; all making 50 per cent and more, as well as the other similar rates of duty on linen goods.

If you can see your way to accomplish this consummation, based on something like the argument here presented, you will confer a blessing on many of your fellow-citizens—the consumer being the most benefited—as well as

Yours, truly,

ADOLPH SIMON,
President of the Chas. Simon's Sons Co.

**RICHARD H. EWART, NEW YORK CITY, WRITES RELATIVE TO
DIFFICULTY OF ACCURATELY APPRAISING LINENS.**

NEW YORK, *November 30, 1908.*

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

GENTLEMEN: I respectfully ask your honorable committee to recommend a reduction in the rate of duty on linens, or manufactures of flax, hemp, and jute, under Schedule J, for the following reasons:

All attempts to develop the manufacturing of linens in this and other countries in which it has not been a traditional employment have failed, partly owing to climatic conditions as well as other technical difficulties in manufacturing, although high protection has been and is afforded to those who made the attempt to manufacture them. The present law provides, by a combination duty of specific and ad valorem, for a protection of 35 per cent as a minimum, and almost 75 per cent on some qualities.

For many years the impossibility of manufacturing linens was recognized by the lawmakers and experts in textile manufacturing, and for that reason a low rate of duty (as low as 24 to 25 per cent) was assessed, so as to give the consumer the benefit of cheap linens, and no manufacturing interest was wronged by that moderate rate.

In 1846 the rate was 30 per cent ad valorem; in 1857 the rate was 24 per cent ad valorem; in 1861 the rate was 25 to 30 per cent ad valorem; in 1864 the rate (as a war measure) was 35 to 40 per cent ad valorem, with the distinct understanding that it would be again reduced when the needs of the Government, after the war, became less pressing. In 1870 the rate was 35 per cent ad valorem, and under the highest tariff, known as "the McKinley," some 75 to 80 per cent of my importations were subjected to a duty of 35 per cent ad valorem, and, possibly, 20 to 25 per cent of my importations paid a maximum rate of 50 per cent.

When Mr. Dingley spoke in favor of an advance in duty, he emphatically stated he would not approve of or suggest any such in-

crease as to bring rates up again to the level of the McKinley tariff; but by a combination of the ad valorem and specific duties the duty was advanced far beyond that of the McKinley tariff, so that goods are now being subjected to a minimum charge of 35 per cent and on some goods the rate is from 58 to 67½ per cent ad valorem, and certain qualities have been excluded from the market by the excessive rate of duty, which would have exceeded 80 per cent ad valorem. This advance caused great injury to the trade and brought sorrow and needless loss to the consumer, who had either to pay a large advance for such linens as had formerly been purchased, or accept an inferior and less serviceable quality. The alleged reason for making this enormous advance in the rate of duty was said to be with a view to encourage manufacturing of linens; but it has failed, and nothing important is made in this country except low qualities, chiefly crashes, such as were made thirty to fifty years ago. Machinery which was started on linen goods has been put on cottons, and in some instances has been stopped, after those who were engaged in the business enterprise decided to stop their losses.

I have been importing linens into New York for over thirty-nine years, and I honestly believe a decided reduction in duty is desirable, in the interest of the consumer, as well as that of the importer, and I respectfully ask that the rates be reduced to the figures named by the representatives of the Linen Trade Association, who are to appear before you on November 30 (although these rates would still be much higher than those formerly collected), as follows:

Linens weighing over 4½ ounces per square yard and counting under 60 threads, 15 per cent ad valorem and 1½ cents per square yard; over 60 and under 120 threads, 15 per cent ad valorem and 2½ cents per square yard; over 120 and under 180 threads, 15 per cent ad valorem and 4½ cents per square yard; over 180 threads, 15 per cent ad valorem and 7½ cents per square yard.

Minimum of 35 per cent.

Linens weighing under 4½ ounces per square yard and counting over 100 threads per square inch, 35 per cent; handkerchiefs, plain, hemmed, or hemstitched, 40 per cent; embroidered or initialed, 50 per cent; linens or unions, embroidered or scalloped, 50 per cent; union goods, made from cotton and linen, 35 per cent.

I would also urge the elimination of clause, or change of clause, in the customs administrative act, section 7, which debars any importer, other than an actual purchaser, from the right to advance his invoice in order to accord with changes in the market value (which right has always been granted to an actual purchaser), as the discrimination causes great injustice to honest importers.

And I would further point out that the provision which inflicts a penalty when any advance in duty is made by the appraiser is unreasonable. Linens are very difficult to appraise accurately, and in the finer qualities there may really be a difference of opinion to the extent of 5 or 8 per cent among honest-minded experts. So it is a great hardship that any honest importer should be subjected to a penalty on the present basis, and I believe it is very wrong that importations from any one country, notably Germany, should be exempt

or have any special favor shown them. So I would respectfully urge upon the committee the necessity for giving the importer an opportunity to adjust or advance to market value his invoice when the market conditions require it. I do not believe this would be an injurious thing for the Government to do, or afford the honest importer any right or privilege to which he is not entitled, and such as he receives in other countries.

Yours, faithfully,

RICHARD H. EWART.

F. W. THOMSON, BOSTON, THINKS ANY INCREASE OF DUTY ON SHEETINGS AND LAWNS WOULD BE PROHIBITIVE.

BOSTON, *December 14, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR: A rumor is current, possibly having no foundation in fact, but one that is given some credence, that certain cotton manufacturers have been asking your committee for a higher rate of duty on certain light-weight linen goods—for an increase in the tariff above the 35 per cent now paid. (Schedule J, p. 346.)

The goods under consideration—all linen fabrics weighing less than 4½ ounces to the square yard, and counting over 100 threads to the square inch—include plain linen sheetings, lawns, etc.—staple fabrics.

If the cotton manufacturers require protection against those linen goods in excess of the 35 per cent tax already imposed, one might naturally infer that they are seeking a prohibitive duty—a tariff for protection only, and not for revenue.

If these cotton men have been asking for this increase we think that the country at large would be enlightened by hearing the reasons for this necessity. If they have not, a word to that effect from your honorable body would clear them of the charge that they are seeking more than a 35 per cent protection of their business—against linen goods which can not be made in this country.

F. W. THOMSON.

LINEN CANVAS AND DUCK.

[Paragraph 346.]

T. DENNIE THOMSON, BOSTON, MASS., RECOMMENDS REDUCTION OF DUTIES ON LINEN WOVEN CANVASES AND DUCKS.

BOSTON, MASS.

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

GENTLEMEN: I wish to call your attention to certain facts relative to the duties now paid on linen woven fabrics.

In presenting these facts I wish it understood that I am not speaking as an agent for a foreign house. I am not speaking for foreign

houses. I am speaking for myself as an independent American citizen; an importer of linen woven fabrics for thirty years past of the goods now commonly called linen woven canvases, ducks, and paddings, and these goods are not manufactured in the United States and never have been. The duty on these linen woven fabrics therefore protects no American industry.

I speak thus for the reason that in nearly all of the tariff hearings that have been held in the last twenty years past the gentlemen who have appeared before those committees for a reduction in duty on linen woven fabrics have largely been composed of the resident agents of foreign houses, and, although able gentlemen, they have not elicited a great burst of applause from you when they came before your committee asking your attention to their just and equitable plea for a material reduction of duties on said fabrics.

Why should we have a duty on these linen woven fabrics that runs as high as 60 per cent and not lower than 50 per cent, except in the Troy or shirting linen clause, where goods that are under $4\frac{1}{2}$ ounces per square yard and count over 100 threads to the square inch come in at 35 per cent duty? I should like to have an answer from you to this question. The duty on these fabrics now paying 50 per cent and over was designed to protect an American industry that never was, but one that was hoped for. The hopes have never materialized. The reason for imposing the excessive duties on linen woven fabrics of foreign manufacture is a reason no longer, and yet we still have the excessive duties on these fabrics that are not made in this country.

Does anyone now hope to make a success of manufacturing linen woven fabrics here in this country? If the protection of so many years past has borne no fruit, it is high time to acknowledge the truth and at least lessen very materially the excessive duty on all linen woven fabrics.

The Boott mills, of Lowell, determined to create a great American industry—the manufacture of linen woven fabrics—on a very large scale, and as an aid to the establishment of this great industry, and for the purpose of creating this industry, and for a benefit to the Boott mills idea, the Committee on Ways and Means, prior to July, 1897, framed a schedule in the Dingley bill which increased duties of linen woven fabrics, already excessively high, by as much as 15 to 20 per cent additional duty. With this protection secured, the treasurer of the Boott mills gave at that time the prediction that the importation of linen woven fabrics from abroad into this country would soon be a thing of the past—that in two years both sides of the Merrimac River would be lined with linen mills, manufacturing linen woven fabrics of all kinds, manufactured by Americans for Americans.

The hope was a glorious one for America, but the hope died, not for lack of money power or influence, nor lack of immense financial resources, nor a lack of skill, brains, or great ability, but for the simple fact that climate and water were the factors they had to contend with, and these factors were insurmountable barriers for successfully manufacturing linen woven goods in this country.

What has been the result? Not one building has been erected in Lowell to make such goods. Not in the eleven years since the Ding-

ley tariff bill became a law has anyone connected with the Boott mills erected a single mill to make linen woven fabrics. Neither have the Boott mills made any such fabrics in the last ten years. What American industry do the present duties protect? Answer, not one. Why should such duties continue?

There will come manufacturers before your committee who will boldly say that they are engaged in the manufacture of linens in this country. They will point to several mills that are called American linen mills. They will ask for an additional duty on linen goods or to have the absurd duty on linens remain as it is, but these gentlemen are not manufacturers of linen woven fabrics. They are manufacturers of linen thread. They are simply thread manufacturers. They are spinners of threads made from imported hemp or flax, and could not be classed in any way as manufacturers of linen woven fabrics.

I would most respectfully beg of your committee the earnest consideration of the above facts.

T. DENNIE THOMSON.

TOWELS AND CRASHES.

[Paragraph 346.]

THE GRANITE LINEN COMPANY, WORTENDYKE, N. J., THINKS THAT THE PRESENT DUTIES ON LINEN TOWELS AND CRASHES SHOULD NOT BE REDUCED.

WORTENDYKE, N. J., *November 28, 1908.*

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

DEAR SIR: We respectfully submit the following in connection with the flax schedule, viz:

Under the present tariff we have established a manufacturing business in which we produce towels and crashes, and we are now endeavoring to produce damasks.

The duty on the linen yarns we use is 45 per cent, and the duty on the manufactured product, such as we produce, ranges from 50 per cent to 55 per cent, leaving but a small margin of protection.

We are unable to manufacture goods composed entirely of linen, as we can not make them in competition with foreign-made goods.

Under paragraph 346 of the present tariff, goods counting over 100 threads to the square inch and weighing under 4½ ounces to the square yard pay but 35 per cent duty. We believe the intention was to admit only plain woven fabrics at this rate of duty, but all classes of goods are now imported and admitted at this rate. Of course we can not compete with the foreign goods on what is known as "light-weight goods" (under 4½ ounces) when the duty on yarns is 45 per cent and on the manufactured product only 35 per cent.

We ask that there be a difference of at least 20 per cent between the duty on yarns and the manufactured product to give us a measure of protection for the greater cost of manufacture in this country.

We favor a straight ad valorem duty, instead of specific and ad valorem rate, as per schedule 346 of the present tariff.

A reduction in the rates of duty on manufactured goods would make it impossible for us to compete with the foreign-made goods.

We might say that our product is made up of three principal factors—cotton yarn, linen yarn, and labor. Comparing the cost of our product with the foreign would be about as follows: American—Cotton, 25 per cent; linen, 40 per cent; labor, 35 per cent. The foreign cost on this would be about as follows: Cotton, 22½ per cent; linen, 22 per cent; labor, 17½ per cent, and you will readily see that it is impossible, under the present tariff, for us to make much advancement in manufacturing, although, as before stated, we have built up a considerable business and are now supplying the Government with a good deal of their requirements as far as towels are concerned, which previous to the enactment of the present tariff law was never done. Our present production is 12,000 yards per day.

We remain, respectfully,

GRANITE LINEN COMPANY,
FREDK. A. SCHWARTZ, *Treasurer*,
FRANK WOODHEAD, *Manager*.

**THE STEVENS LINEN WORKS, WEBSTER, MASS., ASKS THAT
PRESENT DUTY BE RETAINED ON FLAX TOWELING.**

WASHINGTON, D. C., *November 30, 1908.*

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

GENTLEMEN: The Stevens Linen Works, of Webster, Mass., established in 1846, manufacture about 14,000,000 yards of crash toweling annually.

These goods come under paragraph No. 346, Schedule J.

Paragraph No. 346.—Over 4½ ounces per square yard and not over 60 threads per square inch, 1¼ cents per square yard and 30 per cent ad valorem, but not less than 50 per cent.

Every pound of flax used by us is imported from other countries—mostly from Russia.

The machinery we use is nearly all imported, on which we pay a duty of 45 per cent, and the character of the machinery is such that mills have to be of very heavy construction, making the plant cost excessive.

With the present tariff we are able to keep our mills running, and at the same time it does not shut off foreign goods, which are still imported in large quantities in similar grades.

Our goods have an established market and are used throughout the country. With the duty of 1 cent per pound on flax and \$20 per ton on tow, and the high-rate wages we are obliged to maintain, we ask that the present rates be continued on the goods we produce.

STEVENS LINEN WORKS,
NATHANIEL STEVENS, *President*.

STATEMENT OF HENRY GLASS, 46 WHITE STREET, NEW YORK CITY, RELATIVE TO RUSSIAN CRASH.

MONDAY, *November 30, 1908.*

The CHAIRMAN. The first speaker on this subject is Mr. Henry Glass, of No. 46 White street, New York.

Mr. GLASS. Mr. Chairman and gentlemen, we respectfully ask for a special enumeration in the tariff of an article imported from Russia commercially known as "Russian crash." The article is manufactured by the peasantry in Russia, homespun and homemade from pure flax fibers, used for dish toweling and towels. It is assessed under paragraph 346 of the present tariff law at the rate of 1 $\frac{3}{4}$ and 2 $\frac{3}{4}$ cents and 30 per cent ad valorem, which is equal to more than 60 per cent ad valorem duty. Prior to the enactment of the present tariff law, these goods paid a 35 per cent duty, and the importations of such merchandise amounted to about 3,000 bales per annum. A fair average of the importations for the last few years is about 500 bales per annum, which is due entirely to exorbitant duty assessable upon such goods under paragraph 346. One-third of the importations at present are sold to the United States Government. Your honorable committee will note that fine, light, linen articles now pay but a 35 per cent duty under the present law. We believe it illogical to assess a higher rate than this duty upon an article of much inferior grade, and suitable only for kitchen and toweling use. These goods are only made in Russia, none being made in this country, and they, therefore, do not in any way compete with the product of American manufacturers.

We therefore respectfully ask for a specific provision as follows: "Russian crash, made wholly or in chief value of flax, 35 per cent ad valorem."

NATHANIEL STEVENS, OF NORTH ANDOVER, MASS., WANTS THE DUTY ON RUSSIAN CRASH RETAINED.

MONDAY, *November 30, 1908.*

Mr. STEVENS. If the committee please, I represent the Stevens Linen Works, of Webster, Mass. We have a plant making crash toweling, and we make the Russian crash, and it is used for kitchen purposes. We have a plant which has been located there since 1846.

The CHAIRMAN. You have been making that ever since then?

Mr. STEVENS. Yes, sir. These are household articles known all over the United States and used generally. We make a variety of grades, and we do not come here asking for any more duty, but we simply ask you to give us the same duty we have now.

Mr. GRIGGS. Is that because you have been protected so long?

Mr. STEVENS. No, sir; it is not.

Mr. GRIGGS. You have not reached the stage of senile decay, have you?

Mr. STEVENS. No, sir; we have not.

Mr. GRIGGS. Yet you have been manufacturing towels forty-six years?

Mr. STEVENS. Yes, sir.

Mr. GRIGGS. And still need protection?

Mr. STEVENS. Yes, sir.

Mr. DALZELL. You have 35 per cent now, have you not?

Mr. STEVENS. No, sir; 30 per cent ad valorem and 1½ cents a yard.

Mr. DALZELL. Under what paragraph does this come?

Mr. STEVENS. Under 346, I think it is. The reason we have to have this protection is because we have to employ our labor in America in competition with cotton and woolen manufacturers.

The CHAIRMAN. There is quite a high duty on your raw material, is there not?

Mr. STEVENS. There is a duty of \$20 a ton on tow and 1 cent per pound on flax.

The CHAIRMAN. We know about what it is.

Mr. STEVENS. Yes, sir; you know what it is. It is a close business and any reduction in the tariff would do us great injury.

Mr. GAINES. You want it retained just as it is?

Mr. STEVENS. Yes; we could not live on anything else.

Mr. RANDELL. What percentage of the home market do you control now, or the manufacturers of that class of goods?

Mr. STEVENS. There is about as much imported as we make.

Mr. RANDELL. You control about half of the market?

Mr. STEVENS. About half of the market; yes, sir.

UNION TOWELS AND CRASHES.

[Paragraph 347.]

THE LOWELL (MASS.) TEXTILE COMPANY ASKS FOR MARGIN BETWEEN ITS FINISHED PRODUCT AND YARNS.

LOWELL, MASS., *December 9, 1908.*

COMMITTEE ON WAYS AND MEANS,

House of Representatives, Washington, D. C.

GENTLEMEN: Our business is the manufacture of union towels and crashes. Our raw material consists of medium-size cotton yarns and linen yarns from No. 7 to No. 25. There is a duty of 45 per cent on the linen yarns and a duty of 45 per cent on our finished goods. If this margin on union goods is in any way made less, it will be fatal to us.

We are at present unable to compete with the foreign manufacturers on the all-linen goods, the duty on which is 50 per cent.

In order to protect what business we have we ask for a margin of 5 per cent to 10 per cent on the union goods, and in order to endeavor to get business in the all-linen field we ask for a difference of at least 20 per cent between the duty on linen yarns and the manufactured product.

These changes would put us on a fair competitive basis with the foreign manufacturers.

Very respectfully,

THE LOWELL TEXTILE Co.,
HAROLD SELFRIDGE,
Treasurer.

LINENS AND COTTONS.

NEW YORK, November 23, 1908.

HON. SERENO PAYNE,

Chairman of the Tariff Revision Committee.

SIR: As importers of linens and kindred lines we take the liberty of suggesting a tariff schedule covering linens and cottons, with our reasons for the various rates.

1. Woven fabrics of all linen, as covered in part by section 346, 25 per cent. There are no all-linen goods manufactured in this country outside of coarse crashes and towels of lower grades. There is, therefore, no industry to protect, and 25 per cent ought to be sufficient duty.

2. Woven fabrics made in part of all linen and part of cotton, as covered in part by section 346, 40 per cent. There are more of this class of goods made in this country, and a 40 per cent protection would seem to be ample.

3. Woven fabrics of all cotton, 50 per cent, as these goods are very largely made in this country and justify a protection to the extent of 50 per cent.

4. Handkerchiefs made of all linen, finished and unfinished, hemmed and hemstitched and unhemmed, 25 per cent, for the same reason as given under paragraph 1.

5. Handkerchiefs made in part of linen and part cotton, 40 per cent, for the same reason as given under paragraph 2.

6. Handkerchiefs made of all cotton and handkerchiefs embroidered and initialed, 50 per cent, for the same reason as given in paragraph 3, and for the industry of embroidering justifies a protection to the extent of 50 per cent.

Very respectfully submitted.

W. W. CROSSLEY,
(Of Neilson & Crossley).

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