

What the Reciprocity Treaty Will Do

In presenting the prospective benefits of the reciprocal trade agreement between the United States and Canada it is necessary to consider that under the present tariff law many of the duties have been wholly prohibitive. The present amount of importation or the present income to the United States through the medium of the custom house is, except in a few instances, no index to the future trade in any particular article or commodity.

The restrictions of the past removed, certain articles, today only nominally upon the list of imports from the United States into Canada and from Canada into the United States, must in the immediate future, become important articles of trade in one direction or the other and in some instances in both directions.

The following are among the important changes in the present trade conditions between the United States and Canada which the agreement ratified by the bill passed recently will put into effect at once when Canada also ratifies.

The question then is, What will reciprocity accomplish?

IT WILL:

1. Admit to the United States free of duty articles to the value of \$39,811,560 upon which under the Payne-Aldrich tariff law there is now a duty. In return Canada, by a similar remission of her duties, will admit free products of the United States to the value of \$21,957,605, according to the statistics for the last year obtainable for purposes of calculation.
2. Place upon the free list wheat, rye, oats, barley, buckwheat, dried peas and beans and corn, upon which the United States at present imposes a varying schedule of duties ranging from 10 cents per bushel for rye to 45 cents per bushel for dried beans, all this benefit to the consumer being accomplished at a revenue cost to the United States of less than \$300,000.
3. Place upon the free list cattle, horses, mules, sheep and swine, at present dutiable at varying rates averaging, approximately, 25 per cent, but at a revenue cost to the United States of less than \$275,000.
4. Place upon the free list vegetables of all sorts, including potatoes, cabbages, onions, turnips, sweet potatoes and yams, now taxed at from 25 cents to 40 cents per bushel, and all other fresh vegetables not enumerated at 25 per cent ad valorem, and at a cost in revenue to the United States of \$380,000.
5. Relieve from the tariff of $\frac{1}{4}$ cent per pound the annual importation of 31,841,152 pounds of fresh-water fish, and from the tariff of from $\frac{3}{4}$ to 1 cent per pound of 13,341,921 pounds of mackerel, eels, smelts, halibut and herring; 17,085,091 pounds of cod, haddock, hake and other dried, smoked and salt fish, and 10,000,000 pounds of salted and smoked mackerel and herring, at a revenue cost to the United States of \$380,000.
6. Remove the existing tariff on pulp wood and print paper, thereby admitting to the United States free 160,217,659 pounds of pulp wood now dutiable, and 86,766,027 pounds of print paper, according to the importations of 1910, at a revenue cost to the government of \$300,000, and 75,446,100 pounds of chemically prepared unbleached and 19,345,312 pounds of bleached pulp wood at a revenue cost of \$175,000.
7. Place lumber upon the free list, thereby relieving the American consumer of the tariff of \$1.25 per 1,000 feet upon the 975,975,000 feet of sawed lumber imported last year at a revenue sacrifice of \$1,219,970.
8. Reduce the present tariff on fresh meats from $1\frac{1}{2}$ cents per pound to $1\frac{1}{4}$ cents per pound, for the return concession on the part of Canada of a reduction from 3 cents a pound to $1\frac{1}{4}$ cents. Reduce the tariff on bacon and hams from 4 cents per pound to $1\frac{1}{4}$ cents per pound, on all other dried and smoked meats from 25 per cent ad valorem to $1\frac{1}{4}$ cents per pound, in return for a reduction on the part of Canada from 2 cents per pound to the same figure. These changes in the meat tariff to be effected at a revenue loss to the United States of less than \$8,000.
9. Reduce the duty on canned vegetables from 40 per cent ad valorem at $1\frac{1}{4}$ cents per pound, at a revenue loss of \$86,000.
10. Reduce the tariff on flour from 25 per cent ad valorem to 50 cents per barrel of 196 pounds, at a revenue loss of \$18,000.
12. Reduce the tariff on laths from 20 cents

per 1,000 to 10 cents per 1,000, and upon shingles from 50 cents per 1,000 to 30 cents per 1,000, at a revenue loss for the two items of \$200,000.

13. Articles to the value of \$47,333,158 are affected by the new reciprocal agreement. Upon these articles the total tariff levied at present is \$5,649,826 per annum. Of this revenue the United States will remit duties to the amount of \$4,849,933.—New York World.

SUGAR TRUST METHODS

The following is an Associated Press report: New York, July 22.—Claus Augustus Spreckles, son of the late Claus Spreckles of California, and principal owner of the Federal Sugar Refining company of Yonkers, N. Y., gave the most sensational testimony that has developed before the congressional committee investigating the sugar trust during the hearings here.

Besides giving a most important sidelight on the conference between John Arbuckle and the late Henry O. Havemeyer, which is believed to have ended the great sugar war, he described under oath the vicissitudes of an independent sugar refiner. He said his plant in Philadelphia before it was controlled by the trust had been put out of commission several times by persons who threw sand in the machinery bearings and otherwise wrecked the plant.

He swore that in the Yonkers refinery, after he had turned down trust overtures, dead rats were placed in barrels of sugar ready for shipment and that whole vats of liquid sugar had been drained off in the night into the sewers. The nuisance of dead rats continued until private detectives pointed out a number of his employes, whom he discharged, refusing to pay their wages in the hope that they would sue him and thus enable him to question the men under oath as to who so employed them. Much to his disappointment he was never sued.

Mr. Spreckles declared that Henry O. Havemeyer, Theodore Havemeyer and John E. Searles, all then officers of the American Sugar Refining company and now dead, purchased a half interest in all the California refineries to end the Spreckles war for \$2,225,000 in cash and six months later sold this interest to the American Sugar Refining company for \$5,000,000 in preferred stock, which at that time was worth \$120 a share, or \$6,000,000.

Interesting points in Mr. Spreckles' testimony included his assertion that in four years he had made \$2,000,000 in a Hawaiian sugar plantation on a cash investment of \$10,000. Since starting the Federal refinery ten years ago by a cash payment of \$3,500,000 for equipment, he has paid 6 per cent dividends on that \$3,500,000 regularly, he declared, representing the preferred stock, and has turned earnings, amounting to an equal amount, back into the improvement of the plant.

Representative Garrett of Tennessee asked Mr. Spreckles if he knew anything about the conference between John Arbuckle and Henry O. Havemeyer, which was supposed to have ended the sugar war.

"Yes, something," he said. "Soon after that conference John Arbuckle came to me and said: 'I've just had a little talk with Henry O. Havemeyer.' He said an understanding had been reached; that there was an overproduction of sugar and asked me if I would reduce the output of the Federal. I told him the Federal would work to its full capacity forever.

"He said: 'You misunderstand Havemeyer, just like I did. He is a fine, cultivated man—why, he plays the violin.'"

"So did Nero play the violin," said I, "and Rome burned."

"He told me that we ought to reduce our output; that there was too much sugar; that by reducing the output we could reduce expenses, keep up the price of sugar and thus make more money. He said that was what the American was going to do."

"Did you understand from John Arbuckle that he had reached an agreement with Havemeyer and the American Sugar Refining company that the production of sugar was to be reduced?"

"Yes, he said that he and the American had buried the hatchet."

"Did any one else ever try to get you to reduce the production of sugar?"

"Yes, Mr. Warner of the American company. He said it would create better feeling among the refiners generally and that an understanding could be reached. I think that both Arbuckle and Warner were sent by the American Sugar

Refining company to get me to enter an agreement."

Mr. Spreckles said the war between the Spreckles and the American started about 1887 and that John E. Searles of the American finally proposed peace in the interest of both sides. The result was the formation by the Havemeyers, Searles and Mr. Spreckles' father of the Western Sugar and Trust company, which was sold to the American for \$10,000,000.

In the afternoon the discussion of the tariff on sugar occupied much of the time.

Mr. Spreckles said that in his opinion the removal or big reduction of the tariff on sugar would decrease the price of refined sugar in this country 2 cents a hundred.

"It would also be the best thing for Louisiana," he said.

"The planters down there are antiquated, use ancient methods and machinery and are not scientific farmers. The reduction in the tariff would wake them up and modernize them like it did Hawaii."

Mr. Spreckles said that "refineries and planters of both beet and cane sugar in this country could compete with the world without a tariff."

UNDERWOOD AND STEEL

Special dispatch to the Philadelphia Inquirer: Washington, D. C., July 25.—Champ Clark, speaker of the house, and Oscar W. Underwood, floor leader of the democrats in that body, came to the parting of the ways in the democratic caucus today, and after a bitter fight the forces controlled by Underwood were victorious.

The battle in the caucus was the most serious the democratic party has witnessed since it came into control of the house. Speaker Clark had introduced a resolution calling on the ways and means committee, of which Underwood is chairman, to report bills revising the steel and iron schedule and measures revising all the other schedules; he was completely bowled over by the Underwood forces and the sum total of positive action in the caucus was the unanimous vote in favor of considering the cotton bill.

It was decided, as a result of the vote that downed the Clark resolution, that the democrats of the house would not pass any more bills revising the tariff after the cotton bill has been acted upon. The vote upon this proposition was closed; although it was taken viva voce, the Underwood victory was clear.

Claude Kitchin, of North Carolina, made a bitter speech, in which he said that the chairman of the ways and means committee, Mr. Underwood, had proclaimed to the country the fact that all his money was tied up in the steel business, his district including the big mills at Birmingham, Ala., and that unless the steel and iron schedules were revised the nation would gather the impression that the democratic party had been sidetracked by its floor leader's connections. "The democrats would know that such an impression would not be justified by the fact," said Kitchin in an effort to take the sharp edge off of his remarks, but the impression would go forth nevertheless.

"The only way we can offset such an impression," said Kitchin, "is to revise the steel and iron schedules at once."

The remarks of Mr. Kitchin did not change the position of Mr. Underwood. He made it clear that he was acting in the best interests of the country, stating that there was no necessity for further tariff action at the present time. He was strongly supported by Representative Fitzgerald, of New York, chairman of the appropriations committee, who intimated that the country was becoming impatient of so much tariff revision, given in one dose.

Mr. Webb, of North Carolina, who represents a district containing 110 cotton mills, also made a plea for the manufacturers of that commodity.

The stand taken by Clark was bolder than any he has yet taken. He has been stating right along that congress would remain in session until September and possibly until next December, but none knew that he intended to force the issue in the caucus.

LOOKS GOOD FOR STEPHENSON

"Senators Paynter and Bradley, of Kentucky, with Bailey, Heyburn and Sutherland, will compose a subcommittee of the United States senate to investigate the election of Senator Stephenson, of Wisconsin."—News Item.

That looks bully good for Stephenson!—Henry Watterson in Louisville Courier-Journal.