

# Schedule K

Hereinafter will be found a table showing the tariff rates of the present wool schedule and the rates under the Underwood bill. On comparison it will be found that the average reduction is almost one half—a very gratifying showing. No democrat can justify a vote against the measure and it ought to appeal to the progressive republicans. The only fault that can be found with it is that it does not go far enough. If the plans of the free wool advocates had been accepted the average rate would have been still further lowered. No republican can criticize the bill, but democrats, while rejoicing at the reductions made can regret that a majority of the committee abandoned the free wool idea.

## Practical Tariff Talks

Considered merely as a practical proposition, what guarantee of lower prices for clothing is given by cutting the wool schedule 50 per cent? Theoretically, this ought to insure a decreased price to the consumer, but the man who has taken the wool schedule to pieces and looked over each piece will have serious doubts as to whether a horizontal reduction will bring about such a result. This is due to the fact that there are certain factors entering into the computation of the actual protection given that materially interfere with the logical application of this principle. The principal one can be briefly outlined. The component parts of Schedule K are bottomed on the false and arbitrary assumption that wool shrinks two-thirds in the process of making it available for use by the weaver of cloth. It is only of the heavier wools that this is true. On the finer wools, which are light shrinking, the loss is from 15 to 35 per cent only.

The duty on raw wool approximates 45 per cent under the existing law. This means that the total amount of wool used in American mills—in excess of 600,000,000 pounds a year—is arbitrarily raised in cost above the price in the world's market to the extent of the tariff, there being an insufficient home supply to permit of the introduction of any local competitive feature. This increased cost, paid first by the manufacturer, who is the sole purchaser of raw wool, is passed on to the consumer, notwithstanding the fine spun theory that it is equalized, so far as the consumer is concerned, by the system of compensating duties. This tax necessarily increases as each person through whose hands the cloth and clothing passes adds his usual percentage to cover expense and profits.

Wool is the raw material of the cloth manufacturer. The domestic supply being insufficient for his needs, he must buy abroad a little over 50 per cent of what he uses. When this wool comes through the custom house there is added to the price he paid abroad the 45 per cent duty. Thus, if he paid 16 cents in London, the cost, exclusive of transportation charges, when it arrived in Boston, would be 16 cents plus 45 per cent of 16 cents, or 23.20 cents per pound. The duty is put on the foreign grown wool in order that the home grower of wool may get a better price, and it operates exactly to bring about that result. It follows that the American manufacturer pays approximately 45 per cent more for his raw material than does his foreign competitor. To compensate him for this excess price of his raw material above the price paid by that competitor the government levies what it calls a compensatory duty, supposedly sufficient to cover that cost difference. This compensatory duty is levied upon all importations of cloth, and operates, therefore, to enable the American manufacturer to get that much more for his finished product, cloth. If this compensation were limited by the tariff law to the extra sum the tariff on wool compelled him to pay for his raw material, he would reap no advantage. In truth, however, he is compensated two or three times that extra sum, and gets twice or thrice what he would be entitled to under the theory of compensatory duties.

The duty on unwashed wool from the great centers of supply is 11 cents a pound. The compensatory duty is 44 cents a pound, based on the contention that it requires four pounds of grease wool to produce one pound of cloth. Tests made

# Comparison of Wool Schedule of Payne Law and Underwood Wool Bill

|   | PAYNE LAW                             |                        |                     | UNDERWOOD BILL           |                          |
|---|---------------------------------------|------------------------|---------------------|--------------------------|--------------------------|
|   | Equivalent ad valorem rate, per cent. | Value of imports, 1910 | Duty collected 1910 | Rate ad valorem per cent | Estimated revenue 1 year |
| Wool, camel's and goat hair....   | 44.31                                 | \$47,687,293           | \$21,128,728        | 20.00                    | \$ 66,991,000            |
| Noils, top waste, etc.....  | 38.96                                 | 203,509                | 79,293              | 20.00                    | 890,500                  |
| Combed wool, tops, roping, etc..  | 105.19                                | 1,129                  | 1,188               | 25.00                    | 723,500                  |
| Yarns, wholly or partly wool...   | 82.38                                 | 326,886                | 269,296             | 30.00                    | 1,373,900                |
| Cloths, knit fabrics and all wool manufactures not especially provided for..... | 97.11                                 | 6,658,288              | 6,465,884           | 40.00                    | 24,062,400               |
| Blankets and flannels.....  | 95.57                                 | 168,889                | 161,412             | 30.00                    | 258,400                  |
| Women's and children's dress goods, coat linings, etc.....                      | 102.85                                | 9,218,374              | 9,481,206           | 45.00                    | 25,408,500               |
| Ready-made clothing and other wearing apparel.....                              | 81.31                                 | 1,776,236              | 1,444,896           | 45.00                    | 5,066,400                |
| Webbing, suspenders, belts, braids, flossing, laces, ornaments, etc.....        | 87.06                                 | 77,161                 | 67,174              | 35.00                    | 160,900                  |
| Aubusson, Axminster, Moquette and like carpets.....                             | 62.09                                 | 62,700                 | 38,930              | 40.00                    | 79,300                   |
| Saxony, Wilton, Tournay, velvet and like carpets.....                           | 70.14                                 | 40,711                 | 28,554              | 35.00                    | 51,100                   |
| Brussels and similar carpets....  | 76.29                                 | 8,222                  | 6,272               | 30.00                    | 10,000                   |
| Velvet, tapestry, velvet and similar carpets.....                               | 62.46                                 | 41,058                 | 25,645              | 35.00                    | 51,700                   |
| Tapestry, Brussels and similar carpets.....                                     | 64.41                                 | 187                    | 120                 | 30.00                    | 200                      |
| Treble Ingrain and other Venetian carpets.....                                  | 64.34                                 | 1,675                  | 1,077               | 30.00                    | 1,800                    |
| Wool, Dutch and two-ply ingrain carpets.....                                    |                                       |                        |                     |                          |                          |
| All carpets woven whole for rooms, oriental, Axminster and similar rugs.....    | 62.50                                 | 22                     | 13                  | 25.00                    | 20                       |
| Druggets and backings.....  | 60.57                                 | 4,392,786              | 2,660,723           | 50.00                    | 5,582,200                |
| All wool or partly wool carpets not specially provided for....                  | 66.28                                 | 30,587                 | 20,273              | 25.00                    | 38,800                   |
|   | 49.98                                 | 48,934                 | 24,455              | 25.00                    | 62,300                   |
| <b>Total raw wool.....</b>  | <b>44.31</b>                          | <b>\$47,687,293</b>    | <b>\$21,128,728</b> | <b>20.00</b>             | <b>\$ 66,991,000</b>     |
| <b>Total manufactured.....</b>  | <b>90.10</b>                          | <b>23,057,820</b>      | <b>20,775,820</b>   | <b>42.55</b>             | <b>63,831,000</b>        |
| <b>Grand total.....</b>   | <b>67.20</b>                          | <b>\$70,744,650</b>    | <b>\$41,904,548</b> | <b>31.27</b>             | <b>\$130,822,000</b>     |

by the Textile Record just previous to the last tariff revision demonstrated conclusively that but two pounds of greased wool are necessary to produce one pound of worsted cloth, the kind manufactured almost exclusively by the woolen trust. In addition to this compensatory duty there is a protective duty on the cloth alone of 55 per cent, ostensibly to cover difference in labor costs here and abroad, a difference that does not exceed 20 per cent. There is in both the compensatory and the protective duty a large excess, and unless the bill proposed by the democrats cuts out this excess, there will still be sufficient margin in favor of the American manufacturer to make the tariff prohibitive. Until the details of this bill are definitely known, this fact cannot be determined.

A horizontal reduction in duties does not and cannot correct inequalities in the present law, and the grip the woolen trust has upon the cloth market is due entirely to the inequalities that now exist. So long as the wool schedule is based upon the false shrinkage proportion, it will be to the advantage of the maker of the more expensive cloth and to the disadvantage of the man who provide bodily shelter for the masses. The worsted men use the light shrinkage wools, the carded mill men the heavier shrinking product. The tariff operates to shut them out of foreign sources of supply, since the foreign grown wool seeks a more favorable market for the heavier grades, and they have been forced to use substitutes that make nice looking but poor wearing clothing for those who must use the cheaper qualities. If the new bill were so drawn as to make the compensatory duty cover only the actual extra expense involved and an honest shrinkage proportion basis were adopted, the outlook for relief in the way of cheaper clothing would be better. The Payne-Aldrich law places the lightest burden on those who can best afford to pay increased prices and the heaviest burden on those who can least afford to do so. This is particularly true with respect to clothing, and a perpetuation of the principle of that law is a perpetuation of that vicious discrimination. C. Q. D.

### WHO PAYS THE FREIGHT

We are in receipt of an offer from the American Press association to furnish a full page of plate matter "prepaid" advertising Governor Harmon of Ohio, an avowed candidate for the

democratic presidential nomination. We have never understood Governor Harmon to be a very wealthy man and sending this kind of campaign material costs a great deal of money and the query is natural: Where does the money come from?

The governor of Ohio has a strong personality and is a capable official but being the choice of that band of mugwump commercial criminals who know no party but the one which permits them to pillage the helpless and who profess or practice no creed but the divine right to rule for their own selfishness, many voters west of the Ohio river will vote straight up in the air before they will support a candidate backed by this element.—The "Nebraska Liberal," Creighton, Neb., June 2, 1911.

### THE TRUST PROGRAM

This is the trust program; center everything at Washington. Take the control of corporations out of the hands of the states and then wait for congress to act. If the trusts can control the president, the senate or the house—any one of the three—they can prevent regulation. They have for more than fifteen years prevented the reformation of the senate because they can control the senate now more easily than they could if senators were elected by popular vote. It is difficult enough to regulate "great corporations" when both the state and the federal governments have a right to regulate—it will be still harder if the federal government is given exclusive control. Every democrat will oppose this scheme—the fact that it is advanced by trust magnates is conclusive proof that it is antagonistic to the interests of the public. The democratic position is that federal remedies should be added to, not substituted for, state remedies.

APPRECIATED IN NORTH CAROLINA  
 State of North Carolina, Supreme Court, Raleigh, Editor The Commoner—  
 My Dear Sir: I enclose \$1.00 for which please send me The Commoner. In the campaign that is ahead of us I do not see how any democrat can afford to do without it. Yours truly,  
 WALTER CLARK, Chief Justice.