Practical Tariff Talks

George T. Murray of Berthold, N. D., sends to The Commoner copies of letters passing between himself and Senator McCumber, in which the topic for discussion included several phases of the tariff question. Mr. Murray writes in substance: "I have been trying for six months to harmonize his position with reference to the duty on the wool in a suit of clothes with the tariff law, but can not. Will you try?" Senator McCumber's statement was that the "duty on the wool in the cloth in the ordinary suit of clothes, costing, say, $45, would be from 63 cents to $1.25." The duty on the wool in a suit of clothes is dependent, naturally, upon the amount or quantity of wool in it. The value of the wool in a suit depends upon the quality used. Wool, before it can be utilized in cloth-making must be scoured or cleaned, what remains is pure wool. The duty on scoured wool is 33 cents a pound, and in order, therefore, to find out the original duty on the wool in a suit of clothing one must multiply the amount of scoured wool by 33 cents. This amount of wool varies according to the weight of the cloth and the extent of the adulteration by using cotton yarn with woolen yarn. In the latter case, however, the duty is just the same as if the yarn were all wool, another tariff trick. But, as will be seen later, this duty, as finally paid by the consumer has grown much greater.

Where Mr. Murray became mixed was in computing the duty upon the cloth. There is ample excuse for this confusion. The wool tariff is a mass of complexities, and designedly so. The same tariff is levied upon wool regardless of how much it shrinks, and at each step in the process of manufacture duty is piled upon duty, all for the advantage of the manufacturer; until only an expert can compute what the result is. Cloth is not made from wool, but from woolen yarn. The finest woolen goods are the worsteds. There are four processes in the making of this kind of goods. First, the unwashed wool is scoured or cleaned. Then it is combed, the result of which process is known as tops. These tops are then spun or twisted into yarn, and the yarn woven into cloth. Wool is divided into several classes, each bearing a different rate of duty. The tops vary in value as the wool varies in quality. There are two divisions, one for tops valued at not more than 20 cents a pound and one for tops valued in excess of that figure. Reduced to easily understood figures the cheaper tops carry a duty of 24¾ cents a pound and 30 per cent ad valorem, and the dearer ones 36 2-3 cents a pound plus 30 per cent ad valorem.

Yarn, which is the next step in the manufacturing process, is divided for the purpose of duty levying, into two classes, that valued at thirty cents a pound and that valued above thirty cents a pound. On the theory that it takes two and a half pounds of unscoured wool to make one pound of the cheaper yarn the duty is two and a half times the 11 cent a pound duty on unscoured wool, or 28½ cents. It is figured that on the more valuable yarn it requires three and a half pounds of unscoured wool to make one pound of yarn, and the rate is, therefore, 38½ cents a pound. These are what are known as compensatory duties, that is to compensate the manufacturer for the added price put on the wool by the tariff, and in addition there is the protective duty, which on the cheaper yarn is 35 per cent of its value and on the dearer 40 per cent.

But suits are not made from yarn, but from cloth, and here a higher rate of duty is imposed. There are three rates upon cloth. The first applies to cloth not exceeding forty cents a pound in value, the second on cloth valued at between forty and seventy cents a pound, and the third to cloth above seventy cents. Reduced to actual figures and avoiding the technical definition, the cheaper grade carries a duty of 33 cents a pound and 50 per cent ad valorem; the next cheapest, 44 cents a pound and 50 per cent ad valorem, and the third, 44 cents a pound and 55 per cent ad valorem. All of these compensatory duties are heavily overloaded in the interest of the manufacturer, and the net result is a piling up of the duty above all reason. All of which simply means this, that at every step in the manufacture of the cloth and at every handling from cloth to the finished article a profit is added on every duty paid or levied, so that in the end when the suit reaches the wearer the original duty of 33 cents a pound has grown to large proportions. The original duty is supposed to satisfy the wool grower; the remainder is absorbed by the manufacturer.

C. Q. D.

A WALL STREET VIEW

From the New York Sun: As a demagogue Mr. Bryan grows worse with age. President Taft would no doubt give his cordial assent, if assent were necessary, to the publication by Mr. Bryan of any "written and verbal recommendations" of Mr. Justice White for chief justice of the supreme court and of Governor Hughes of New York for associate justice which are within Mr. Bryan's knowledge; but as to Mr. Taft's making a clean breast of all or any recommendations which he may have received, the president of the United States will of course not comply with Mr. Bryan's impudent demand, and nobody knows it better than Mr. Bryan.

Mr. Taft's reasons for preferring Mr. Justice White to Mr. Justice Harlan for chief justice, which Mr. Bryan affects to regard as truckling subservience to the trusts, were published at the time of the appointment. Mr. Justice Harlan at seventy-seven was, in the president's opinion, too old to undertake the greater responsibilities and do the work that naturally falls to the chief justice of the supreme court. Mr. Taft was deeply interested in reforms in civil procedure in the federal courts and believed that no member of the supreme court was better qualified by knowledge and experience to draft the changes needed than Mr. Justice White, who, although only twelve years the junior of Mr. Justice Harlan, was a man of great vigor of mind and body. The president had said on the subject of the reform of procedure:

"Speaking generally, the improvement of the administration of justice, civilly and criminally, in the matter of its prompt dispatch and the cheapening of its use for the poor man is the most important question before the American people."

As to the Hughes appointment, Mr. Taft made it in spite of the fact that the governor of New York had urged the legislature to reject the federal income tax amendment, which was one of the Taft policies. Governor Hughes argued that "the power to tax incomes should not be granted in such terms as to subject to federal taxation the incomes derived from bonds issued by the state itself or those issued by municipal governments organized under the state's authority." He held that "to place the borrowing capacity of the state and of its governmental agencies at the mercy of the federal taxing power would be an impairment of the essential rights of the state."

Mr. Bryan blacklisted the Hughes appointment when it was made. "He is understood," said the personal organ, "to be a close personal friend of Rockefeller." Mr. Bryan followed the remarkable bit of "evidence" of unworthiness with such rubbish as this:

"It will be remembered also that he was the first prominent man to oppose the income tax, and his opposition came after Mr. Rockefeller had announced hostility to the income tax amendment."

Mr. Bryan also denounced the appointee because "he vetoed the bill for the reduction of railroad rates after a New York legislature, and a republican legislature at that, had passed the reduction bill." Mr. Bryan, being simply a loose mouthed and unscrupulous demagogue, refused to recognize the independence and courage of an act for which the governor of New York was praised by fair minded men irrespective of party. It is painful to see him ranting about the supreme court like a sand lots orator.

TWO CASES IN POINT

A reader of The Commoner sends in the following:

"President Taft has asked that a single trust or combination in restraint of trade between the states be named that would not come within the Sherman anti-trust act as construed in the opinions of Chief Justice White in the Standard Oil and Tobacco cases, and that ought to be held to come within that act. I name two and refer the president, as my authority for so doing, to the opinions of the chief justice in the cases mentioned and to his opinion, when an associate justice, in the Trans-Missouri case (166 U. S. 290), and to his dissent in the Joint-Traffic case (171 U. S. 505). 573-574.

"In the Trans-Missouri case the supreme court by a majority vote of one decided that the railroad traffic association involved therein was a violation of the Sherman act. Justice White dissented in a lengthy opinion based upon the rule of reason, and on which he made an argument in every substantial respect the same as are his arguments in the Standard Oil and Tobacco cases, made in support of his dicta in those cases that the Sherman act should be construed so as to apply only to unreasonable or undue restraints of trade between the states. Now if Justice White's argument was sound against the conclusion of the court condemning the combination or association of railroads involved in the Trans-Missouri case, if his argument was sound in holding that such combination or association was reasonable, and therefore not within the Sherman act, why does not the same argument made by Chief Justice White in the later cases have the same effect; and why does not the later argument, concurred in by seven justices, have the effect of removing such a combination or agreement as that involved in the Trans-Missouri case from the Sherman act?

"If this be true, and how can there be any doubt of it, the same thing is true of the combination or agreement involved in the Joint-Traffic case, because there Justice White dissented on the same grounds as those expressed by him in the Trans-Missouri case, without repeating them.

"It will not do for the president to answer this suggestion by referring to the decisions (as distinguished from the opinions of the court) in the Standard Oil and Tobacco cases, the sole controversy is as to the construction of the Sherman act given by Chief Justice White, not to support the decisions or conclusions of the court in those cases, but to control the decision of future cases."

WORKING OUT OUR OWN SALVATION

Mr. Bryan is exactly right when he says that relief from oppressive taxation must be had not by bargaining with other countries, as in the case of Canadian reciprocity, but by our own determined effort to promote equality and justice at home.

In our proposed agreement with Canada we remitted certain taxes upon ourselves on condition that the inhabitants of the dominion should abolish certain taxes upon themselves. That was all that it amounted to. The stupid refusal of the Canadians to do away with any of their own taxes constitutes no reason why we, feeling that we are overtaxed, should abandon our efforts to remove a burden that has become intolerable.

Reciprocal arrangements are objectionable chiefly because they greatly extend the power of government over business and depend not upon right but upon negotiation. Under the protective system we build up favored interests at home and then, by reciprocal trades, bargainings and cozenings, we make foreign commerce an affair that is to be carried on profitably only as government shall permit. A treaty of reciprocity may be as crooked as Schedule K of the Payne-Aldrich tariff.

Nobody in this country is better qualified to preach the doctrine of independence, courage and fairness in taxation than Mr. Bryan, and we hope he will do more of it.—St. Louis Republic.

THE FATHER'S EXAMPLE

From the Pender (Neb.) Republic: "There is a story told of a father who took his little boy one morning into the city where he transacted his business. When noon came he took his boy to a restaurant where he often had lunch. The waiter on receiving the order, knowing that it was the father's custom to have a bottle of wine, asked the boy what he would take to drink. The boy replied, "I'll take what father takes." The father, realizing the seriousness of the situation, quietly beckoned the waiter and countermanded the order."

A warning: "You are a fine little fellow," said a man to the son of a friend as he patted the boy on the head. After chatting with him awhile he asked, in parting, "Well, I suppose you are going to grow up to be a man like your father?" "That's what ma's afraid of," innocently replied the boy.

EXECUTION

Whatever else you may say about Mr. Taft, when he finds a law on the statute books he tries to execute it, just as if congress meant what it said.—Norfolk (Neb.) News.

Sure, and if he can't or don't wish to "execute" it he has a supreme court to "execute" it with neatness and dispatch.—Wayne (Neb.) Democrat.