

American producers and the European syndicate, under which the former were to be left in possession of the home market, provided they agreed to keep out of the foreign markets. Outside competition abroad, however, made it possible for goods to be imported. Under the circumstances, what is to prevent the American producers exporting goods, and thus enlarging their markets and general sphere of usefulness, from a material standpoint."

On February, 4, 1895, the same journal said:

"The Pacific Coast Borax Company, finding the results of its efforts to place borax within the reach of all at reduced figures to have been so satisfactory, has issued another circular announcing still lower prices for the current month, and which are lower than borax can be imported for or produced here, except under the most favorable conditions."

On October 21, 1895, the same authority said:

"In the years that have passed large profits were made, and it may be necessary to cut into them, if the competition now in progress is of long duration. At the same time there is reason for believing that the California producers are making money under existing conditions. * * *

"There is no danger of any further competition with the foreign article.

* * * The manufacturers in England have not renewed the syndicate agreement, and there does not appear to be any likelihood of their doing so."

Dingley Bill Prices.

The articles on borax in the Oil, Paint & Drug Reporter tell a different story under the Dingley law, which took effect July 24, 1897.

On August 30, 1897, the Reporter said:

"The new tariff has materially altered the situation in borax in this country.

* * * There is now no possibility of any competition being feared from Europe, with the duty on refined five cents per pound, as against two cents under the act of 1894, and the domestic market is left entirely to the home refiners. * * *

"Under the low prices which were made necessary by the two cents duty in the act of 1894, the demand has been largely increased and it is possible that any material advance would check the consumption. * * * Refiners may be trusted not to make a move that will restrict their production.

"Perhaps the most important element in the situation is the increase in the duty on borate of lime from 1½ cents per pound to 4 cents, where the importation contains over 36 per cent of anhydrous boracic acid, and 3 cents where less. This will effectively shut out all importations so long as the price

of the refined article does not go too high."

On January 17, 1898, this journal said:

"The advance in the rate of duty of borax in the act of 1897, from 2 cents per pound to 5 cents, has caused a rise in the price here from 5¼ cents in carloads, which was the market quotation when the tariff became operative, to 6¾ cents. * * *

"It is evidently the determination of refiners to raise the price by slow and easy stages until they shall reap the full increase of benefit which the new act gives them. It would not have been good policy to advance the price 3 cents per pound as soon as the tariff bill became a law, as it might have aroused the ire of consumers of borax."

These quotations from this great trade journal make it clear that the duty enables the trust to purloin money from the pockets of the people.

Borax Exported to Europe.

That no duty is necessary to preserve our borax industry is evident from the fact that our output increased greatly during the Wilson bill period and that we have always exported borax and sold it in England, except when an agreement, offensive and defensive, between our own and foreign producers kept our product at home. A few more quotations will throw light on this subject. On November 25, 1895, after discussing the heavy imports of borate of lime (4,165,765 lbs.) in 1894-5, at an import price of 2 1-5 cents per pound, the Oil, Paint & Drug Reporter said:

"Another feature of the situation is the exports of American borate of lime to England lately. Since October 14, 11,558 bags have been shipped, at a valuation of \$22,939. The average price per pound was two cents."

July 13, 1896, the Reporter said:

"A foreign outlet for California crude was sought, and large quantities were exported to Liverpool last autumn. They were sold at a profit of about two cents per pound. The sales of the American Company for the seven months ending March 31, last, were at the rate of 11,000,000 pounds per annum, over 1,000,000 pounds having been exported to England. The actual exports to July 1, 1896, from last autumn, amount to 20,420 bags, valued at \$40,018. Notwithstanding the fact that California borate of lime was sold in England at 2 cents per pound, there were imported into New York for the fiscal year ending June 30, 1896, 4,227,947 pounds of foreign borate, valued at \$102,732, as against 4,165,765 pounds the previous year, valued at \$95,734. * * *

"From a glance at the condition of affairs in the borax industry, it appears that the California producers hold the key to the situation. They have succeeded in underselling the South American and Asiatic borate of lime in the English market and have thus affected

the profits of the Borax Company, Ltd., the concern which owns the Asiatic deposits. The annual report of this company stated that had it not been for the French works (protected) of the company, no profit would have been made, owing to the competition with the California borate."

On August 30, 1897, the Oil, Paint & Drug Reporter unintentionally illustrated the difference between trusts in protected and unprotected countries:

"The Borax Union of Great Britain collapsed some two months ago, due, possibly, to competition with borax from American borate. The price is now £14 per ton, or about 3 cents per pound, the lowest price on record.

"The Societe Lyonnaise, which controls its own deposits of crude in Asia Minor, and is protected on its refined in France, is also doing well, but a careful analysis of the situation cannot but reveal the commanding position occupied by the California producers in the markets of the world under the new conditions, which have been partially created by the new tariff, and in great measure by the development of the Pacific Slope."

In September, 1897, the British and Colonial Druggist, of England, explained the ability of the American producers to compete in the markets of the world, by saying that to the "natural advantages in the matter of deposits of pure borax" was added an extremely heavy duty on borax which "practically bars foreign product from entry into the states." It said:

"We can put this advantage in a startling way by saying that if American manufacturers obtained for their borax sold at home the present price of the article in this country plus the duty in America, they would be in a position to give away one and a half times as much borax as they sold at home, and yet receive a return per pound on the whole higher than the present English price per pound."

This condition should prove more "startling" to Americans than to foreigners, however. In 1898, 46,118 bags (about 2,000 tons) of borax was exported to England out of a total production in America of about 12,000 tons.

If this was exported to England at a profit, then our protective tariff simply helped the trust to outrageous profits on the borax sold here. If it was not sold at a profit then the tariff made Americans pay the trust two profits on the borax they consumed, while Englishmen paid no profit.

American warfare from behind protected tariff walls made the borax industry unprofitable in unprotected countries, depreciated the value of foreign plants and mines and made it easy for our government-supported trust to buy up its foreign competitors and to form a world trust. This it has done.