

## TARIFF TRUSTS.

**The Last Resort of Protected Manufacturers.**

The protected interests have always gained their end by deceiving the consumers upon whom tariff taxes weigh most heavily:

First.—They asked for protection during infancy only.

Second.—They promised to the farmer a home market, which has never been established.

Third.—They promised lower prices, but as the time came when prices would have been lower through the increase in the number of competing manufacturing establishments, protected from foreign competition by the tariff, they forced up the price of these goods to Americans, killing domestic competition by the establishment of trusts. The motto of the tariff-defended trusts is "economy of administration for us; cheap production for us; low prices for the foreigner; high prices for the American, and high profits for us."

Thirty years ago there was a general movement throughout the west in favor of lower duties. Hardly a republican senator or representative dared to withstand the demands of the agricultural regions for relief from the burdens of tariff taxation. Among the leaders of this republican movement for revenue reform were Garfield, Allison, and Senator Morrill of Vermont. The democratic party, or a majority of its members, were, of course, for free trade. The movement had every prospect of success.

In 1871 the house passed a bill greatly reducing rates of duty. The protected industries became alarmed and in 1872 secured the repeal of the tax on tea and coffee in order to reduce the revenues of the government. Their object was to prevent the revenue reformers from employing the growing surplus to point their arguments against protection. Having accomplished this, in the same session, they substituted for the house bill a measure reducing tariff taxes ten per cent. This was a horizontal cut, precisely like that suggested by Mr. Morrison twelve years later. It was "scientific" when made by protectionists in 1872. It was "unscientific" when proposed by revenue reformers in 1884. This ten per cent reduction was a cheat. The old rates were restored in 1875.

**Congress the Tool of Protected Industries.**

This date marks the period at which the control of tariff legislation passed entirely into private hands, although private influence had been strong since 1828. The movement began with the wool and woolens act in 1867. Since 1875 congress has not legislated on the tariff; it has simply affirmed or ratified the decrees of the beneficiaries of the tariff. These people have trans-

formed the government into a socialism in which they are not merely the favored class; they constitute the only class. The house of representatives passed the Mills bill of 1888, but the senate was then republican and protectionists and the protected interests turned the bill into a protection measure. The popular branch of congress also passed the Wilson bill in 1894, but the protected interests transformed it in the senate through the aid of democratic senators. In 1890 and in 1897 the protected interests framed the laws named after McKinley and Dingley, the managing agents on the floor of the house.

**Home-Market Delusions.**

During all the years that the taxing power of the government has been turned over to the beneficiaries of the tariff they have been promising the consumers lower prices. First they promised to be satisfied with a protective tariff that would sustain their infancy, but they have demanded riches for their middle age, and now some of them are insisting on sustenance in the form of direct alms, in their decrepitude. Then they promised the farmer a home market; but the farmer's crops increased at a greater rate than the population; as the years went on he had a larger and larger surplus which he was forced to sell in London, the prices of all his crops being fixed in the open markets of the world; year by year his taxes increased, and there never has been a moment when the promise of a home market for all our crops has seemed likely to be realized. Then the protectionists promised lower prices as a result of the holding up of domestic industries. That promise has not been kept.

During our experiment in protection there have been times of overproduction, when prices of manufactured goods fell to bankruptcy rates. Occasionally heretofore competition has brought down prices for a time, but as a rule the only reduction of prices for our protected manufactured articles has been to the foreign buyer. Our manufacturers have sought foreign markets for their surplus products. Unlike the farmers, the tariff tax on whose breadstuffs is a mere pretense, the manufacturer's price at home is not fixed by the price abroad. His price here is regulated by himself and his associates entrenched behind the tariff wall which he has constructed through his congressional agency. It is possible, however, that in time nature would treat the manufacturer as she had treated the farmer and the price of his surplus would govern. Nature takes time for her tasks. But we are not now concerned with that subject. If the price of any protected domestic products has fallen in this country it has been against the wish and despite the efforts of the protected interests. They have done all in their power to prevent the realiza-

tion of the promise of lower prices, especially by the formation of trusts and by the continuation of all or most of the corporations carrying on the business of manufacturing protected articles.

In the series of letters of which this is one, various writers have shown how the trusts have taxed their fellow-countrymen. Some trusts or combinations do not profit by tariff taxes; but others do, and from the burdens imposed by these, there is a ready method of relief. It is only necessary to put an end to the existing protectionist control of congress. Let us re-examine, in a brief and general way, some of the facts which have already been set forth in these letters.

**The Tin-Plate Trust.**

The tin-plate trust is one in whose operations nearly every one is interested. The prices of the plates affect the prices of a large number of necessary domestic articles: pans, pails, etc.; of the cans in which articles of food are preserved, of roofing tin, and a large number of other useful and essential things. Several years ago a tariff tax was imposed upon this article for the purpose of "building up this industry." The tax was heavy. The industry was created. It is now controlled by a trust. Its mill property—forty plants—can be duplicated for \$6,000,000. The total assets of the trust, on Mr. Byron W. Holt's calculation, at its foundation, aggregated between \$10,000,000 and \$12,000,000. The trust paid \$36,000,000 in common and preferred stock for the plants—at least three times their value. The "promoter" retained \$10,000,000 of the common stock for his services. The capital of the trust is \$50,000,000. Its outstanding stock is worth \$26,000,000. It controls the whole business of manufacturing tin plates, and it has closed eighty mills. Its profits are very large. It has increased the New York price of a box of American tin-plate of 100 pounds, from \$2.80, the price in November, 1898, when the trust was formed, to \$4.85—the price in September, 1899. It is enabled to do this by the tariff tax of \$1.50 per box. In September, 1899, English tin plate would have been landed in New York at \$3.65 per box. Adding the duty the price would be \$5.15. The trust put its price 30 cents below this (as high as it could without incurring competition from importations of the lighter weight), but on 100-lb. tin plates the consumer paid \$1.20 wholly on account of the tariff.

Mr. Holt estimates the cost of "creating" this industry since 1891, at from \$80,000,000 to \$84,000,000 to the wholesalers, and at about \$100,000,000 to the consumer. The trust, besides imposing so great a burden on the country by running thousands of shops, has oppressed the laborer and the farmer. By reason of the increased cost of cans, canning factories have been forced to