

CUBA AND THE UNITED STATES.

Mr. F. B. Thurber, president of the United States Export Association, has made the following statement before the ways and means committee of the house of representatives, in regard to the tariff on Cuban products:

I am interested in this subject primarily as a question of the good faith of the United States toward Cuba; second, to voice the interest of American producers and manufacturers, who, under proper conditions, would find a very valuable market in Cuba; and third, the interest of American consumers of sugar.

"For many years, I was one of the largest distributors of sugar in the United States, and am familiar with that industry. For the past five years I have been president of the United States Export Association, whose object is to widen the market for American products, and whose membership comprises leading houses in 98 principal lines of industry, situated in 34 states.

"During the past year I have had occasion to make a special study of the tariff relations between Cuba and the United States; with the result of arriving at the belief that the greatest good to the greatest number of people of both countries will be subserved by placing Cuba, so far as our tariff relations are concerned, as nearly as possible on the same basis as Porto Rico and Hawaii; and the same may be said of the Philippine Islands.

"Strange as it may seem, the Dingley tariff imposes on the chief Cuban products—sugar and tobacco—a duty amounting to about 100 per cent, while on the dutiable products, of all other countries, imported into the United States, it averages about 50 per cent. This is anomalous in itself, and is rendered still more so by our changed relations to Cuba, which virtually makes her the ward of the nation. She has accepted the Platt amendment, which imposes upon her duties and obligations which prevent her from making advantageous treaties with other countries; and, as stated by President Roosevelt, "every consideration of duty and interest demands that Cuba should have liberal treatment at our hands." This is opposed by our domestic beet and cane sugar interests, who have been making enormous profits under the excessive protection afforded them by our present tariff. The beet-sugar interests are on record, over their own signature, in a letter to their bankers, that they could prosper under absolute free trade; and it is estimated by good authorities that in factories favorably situated they have been making a profit of about two cents a pound, with a lesser margin in less

favoured localities which they now bring forward as an argument why concessions should not be made in the tariff on Cuban products, which is somewhat like arguing that the tariff should be high enough to make the growing of bananas, under glass, profitable. I am a republican and a protectionist; but there is reason in all things; and I believe that there should be a power above unreasoning protectionists to say what is reasonable. The permanency of a protective tariff will largely depend on this; and I contend that it is shortsighted on the part of our protected industries not to recognize changed conditions, and unless they are recognized, there will come a ground swell of public opinion which will go to extremes on the other side and be disastrous to all our industries. This was the view of William McKinley, who could not be considered an enemy to American industries. It is especially shortsighted on the part of our domestic sugar growers not to be willing to make liberal concessions at the present time in the tariff on Cuban products. There is an influential element in Cuba today in favor of annexation to the United States, and, if this is strengthened by disastrous industrial conditions in Cuba that day will be hastened, and, with absolute free trade between Cuba and the United States, our beet sugar industries would be in the position of that man whose "last state was worse than the first," although it would undoubtedly be a blessing to the consumers of sugar in the United States, and our fruit growing, canning and preserving industries, which would greatly develop and prosper with cheap sugar.

"The representatives of the beet sugar industries have industriously spread the report that the demand for reciprocity with Cuba was inspired by the sugar trust; that it had large investments in Cuban plantations, and hoped, with free raw sugar, to break down our domestic sugar interests. I have made diligent inquiry as to the truth of this, and can not find that there is any truth in it, except possibly, that some individual stockholders in American Sugar refining interests also own small amounts of stock in Cuban sugar plantations; but these same individuals are much more largely interested in Porto Rico and Hawaii, whose sugar comes in free of duty.

"I am in no way interested in the sugar trust, and am not disposed to believe that the human nature embodied in it is an better or worse than that embodied in our domestic beet and cane sugar industries; but it has certainly been less greedy in its margin of profit than our domestic sugar interest; for while they have been making from one and a half to two cents a

pound profit on sugar, refining interests have varied from nothing to three-quarters of a cent a pound profit, averaging perhaps one-quarter to three-eighths since the formation of the sugar trust. In the early days of the sugar refining industry the difference between raw and refined varied between two and three cents per pound; now the average difference is perhaps one cent a pound, with an actual cost in the process of perhaps five-eighths of a cent a pound, leaving a margin for profit of about three-eighths. This is doubtless the reason why under all tariffs, notably the McKinley, the Wilson, and the present Dingley tariff, our sugar refining industries have been protected by a differential duty on refined of perhaps one-half a cent per pound, and this, it should be remembered, inures as much to the protection of the beet-sugar interests as it does to our refining interests, for the beet-sugar manufacturers make refined sugar.

"Now, as to what concession should be made to Cuba; I believe it would be to the interest of the Cubans, and American flour and provision interests and American fruit canning and preserving interests, and the interest of all American consumers of sugar, if what the Cubans ask could be granted, viz: free raw sugar and one-half the present duties on tobacco and cigars. But if in your wisdom you think we can not go as far as that at this time, then the very least concession which should be made should be 50 per cent on all her products; and with this, it should be remembered, it would still leave her products subject to a duty equal to the average on the dutiable products received by us from all other countries. This would lower by one-half the high tariff wall which we have erected against our ward. And if she in return would establish a tariff averaging 50 per cent. on her importations, she could reduce that one-half on her importations from the United States; and this would enable her merchants to buy all of their supplies in the United States, three-fifths of which they now buy in Europe. This would not violate the most favored nation clause in treaties with other countries, because no country could offer Cuba such inducements as we would offer her by such an arrangement. And it would still give her sufficient revenue; because her present tariff, established by our War Department for Cuba, averages about 25 per cent. American products would still enter the Cuban market at the present rate, but those of other countries would have to pay the higher rate; hence, we would get the trade, because with increased purchasing power on the part of her people, Cuba would become one of our most important markets.

"All of which is respectfully submitted."