

PRESENT TARIFF FOSTERS FRAUDS

Domestic Cotton Fabrics Sold
Americans as "Imported."

CHEATING THE CONSUMER

Less Than 2 Per Cent Comes From
Abroad, but Americans Pay Ex-
orbitant Price For Home Goods Be-
cause of Deception and Prohibitive
Tariff.

By ROBERT KENNETH MACLEA,
[Formerly consulting expert of the tariff
board.]

New York, Aug. 1.—The prohibitive
tariff, revised upward by the Payne-
Aldrich law, permits and fosters
wholesale frauds upon the American
consumer of cotton goods.

Less than 2 per cent of the cotton
fabrics consumed in the United States
comes from abroad, because the pro-
hibitive duties have been made so high
that importation is unprofitable.

Yet fully one-third of the cotton
piece goods going over retail counters
is sold as "IMPORTED" or under
names implying a foreign origin.

This deception is generally perpe-
trated upon the consumer for the pur-
pose of obtaining exorbitant prices for
domestic goods.

The consumer, believing the goods
are imported and knowing that the
tariff adds excessively to their cost,
pays 50 to 100 per cent more than a
fair price and does not suspect that he
is being cheated.

Drains the Pocketbook.

Let us go straight to a specific ex-
ample of the operation of this fraud.
Take the tariff board's cloth sample
No. 50, described as a "printed dimi-
tivity." This is a medium priced cotton
fabric known to almost every Ameri-
can housewife. What woman or girl
hasn't possessed a dimity dress within
the last few years? And if she went
to the cotton goods counter and
bought the material by the yard she
no doubt saw such signs as:

IRISH DIMITY,
2c.

The World's tariff editor visited with
me a department store in a New Eng-
land city of 100,000 inhabitants and
found recently a counter piled with
these goods, pinheaded:

REAL IRISH DIMITY,
19 cts.

We procured samples of all of them.
There was not one piece of imported
goods in the lot. Investigation proved
that the store buyer had purchased
these "Irish" dimities from a Boston
jobber at 10 cents a yard and that they
were made in a New England mill.
Here was a supposed "foreign" in a
supposedly "imported" fabric, on
which the retailer was taking a profit
of 80 per cent!

This happens to be a fabric repre-
senting the highest efficiency in Ameri-
can manufacturing. It is a class of
goods in which we can compete ad-
vantageously with any country in the
world. The tariff board's investiga-
tions discovered on sample No. 50 an
American cost of production of 1-1/3
cents a yard. In all the mills investi-
gated the board's representatives
found that the low and high costs of
manufacture of this fabric did not
vary half a cent a yard.

Who Gets the Profit?

The manufacturer of this American
dimity, that is sold as "imported" and
"Irish," does not get the excessive
profit. In some instances the manu-
facturer does, but here he sells to the
jobber at 8 cents, taking only a nominal
manufacturing profit of two-thirds
cent a yard. The jobber sells to the
retailer at 10 cents, a 25 per cent mar-
gin for the jobber.

In Canada, with 25 per cent tariff, a
cotton fabric costing 10 cents a yard
would be sold to the consumer at 12 1/2

or sometimes at 15 cents if the pattern
happened to be in special demand. In
the United States, with its prohibitive
tariff, the retail price is always much
higher. The standard price retail is 15
cents for the fabric wholesale at 10.
But when the tariff is excessive—it is
54 per cent on this printed dimity—the
dishonest retailer can "get away with"
his deception and double or more than
double his normal profit by selling the
domestic article as "imported." The
retailer knows that he could not buy
a genuine imported dimity of this
quality from a foreign manufacturer's
agent in New York for less than 15 1/2
or 16 1/2 cents, and the trade would re-
tall this at 25. He compares the do-
mestic and foreign fabrics and finds
the American made is equal in every
respect to the fabric from abroad. So
he says to himself, "Why not sell it as
foreign goods at a price that will make
it attractive?"

Mill Man Pockets It.

In some cases the manufacturer
takes the tariff favor for his own
pocket. Tariff board sample No. 34
illustrates this. No. 34 is a fancy
white goods used for dress wear. Its
manufacturer encountered a fair de-
mand for this material during the past
season. Table No. 109 of the tariff
board's report shows a manufacturing
profit of 50 per cent. It costs to manu-
facture this cloth 12.16 cents a yard.
The mill refuses to sell to any one ex-
cepting the jobber, and through this
channel the cloth reaches the retailer
at 22 1/2 to 25 cents a yard. The retailer
charges the consumer 35 to 39 cents,
according to location and local competi-
tion.

For comparison take the value of the
fabric on weight. At the manufactur-
ing cost of 12.16 cents a yard one
pound of this goods is worth \$1.23 as it
leaves the mill. When it reaches the
consumer (at 39 cents a yard) the
price has been boosted to \$4.20 a
pound.

The manufacturing cost of this cloth
in England is practically the same as
here, yet the English manufacturer
sells it for 15.44 cents a yard, the job-
ber at 17.20 cents and the retailer at 22
cents.

Bear in mind that the "difference in
cost of production at home and abroad"
in this class of fabric represented by
sample No. 34 amounts to nothing,
but the Payne-Aldrich tariff on it
equals 55.80 per cent, or 8 1/2 cents per
running yard.

Fancy goods of the type of sample
No. 34 are products of the Lippitt-Mc-
Coll class of mills. The Payne-Aldrich
bill raised the duty on this cloth from
35 to 55.80 per cent. Is it any wonder
that Senator Lippitt and Mr. McCol-
l were interested in amending the
Payne bill. —New York World.

WOODROW WILSON.



THOMAS RILEY MARSHALL.

"JOKERS" HID REVISION UP

Actual Raising of Duties Effected
by Payne BILL.

COTTON AND WOOL SCHEDULES

Both Indefensible, and President Taft
Knew It—Suppression of Facts by
the Tariff Board—Statistics Employed
to Mislead the Public.

By ROBERT KENNETH MACLEA,
[Formerly consulting expert of the tariff
board.]

New York, Aug. 1.—On not a single
one of the ninety-five all cotton sam-
ples of fabric taken as the basis of the
tariff board's investigations of the cot-
ton schedule was there an actual re-
duction of the tariff by the Payne-
Aldrich law.

The samples were selected with great
care by the combined judgment of the
board's experts, endorsed by the lead-
ing jobbers of the United States as
being representative of all classes of
fabric in use in this country, each
sample being chosen because it was
typical of the most used material of

vastly better bill than the Dingley
bill. If I had refused to sign the Payne
bill it would have maintained the Dingley
bill with higher rates than the
Payne bill."

When Mr. Taft made this statement
he must have known that it was un-
true. As for the wool schedule, he
knew that the rates were not higher
in the Dingley law than in the Payne-
Aldrich law, for right after signing the
latter bill did he not denounce its wool
rates as "indefensible?" And, as for
the cotton rates of the Payne bill, he
knew they were just as "indefensible"
as the wool rates, for at the time he
made this statement in Boston he had
the tariff board's report on cotton be-
fore him.

It is true that the cotton report of
the tariff board did not make this in-
formation available at a glance to Mr.
Taft or to congress or to the public.
The tariff board carefully avoided giv-
ing this information in a getatable, un-
derstandable form.

Suppressed the Answer.

"Was the tariff raised or lowered?"
has been an insistent question ever
since the Payne-Aldrich law was en-
acted three years ago. The tariff
board avoided answering it.

In making my official report to the
board I submitted a table that did
answer this question in respect to each
one, excepting three, of the 100 cloth
samples around which our months of
investigation centered. After much side-
stepping and discussion this table was
expurgated and published in its uncal-
culated form. The board's excuse was
that it was not its duty to answer the



From painting by Seymour Thomas.

its particular weave or class. Ninety-
five all cotton and five silk and cotton
samples comprise the 100 that appear
in the tariff board's cotton report.

Forty-seven of the ninety-five in the
all cotton class pay 33.00 per cent higher
duties under the Payne-Aldrich
than they did under the Dingley tariff.

Payne-Aldrich "Jokers."

Of these forty-seven classes of ma-
terial on which the tariff was in-
creased since are the fancy weaves
made in three or four New England
mills commonly grouped as the "Lip-
pitt-McColl interests." This is the
clique of New England manufacturer
politicians who were permitted by Sen-
ator Nelson W. Aldrich to write the
cotton schedule to suit themselves.

Of the nine Lippitt-McColl fabrics
the Payne-Aldrich law placed up the
average duty from 24.57 to 69.33 per
cent. In other words, the promised
"revision downward" on these goods
was really a revision upward amounting
to 44.76 per cent of the Dingley rates.

The remaining thirty-eight classes of
all cotton fabrics on which the duty
was increased were not generally the
product of the favored New England
ring.

Under the Dingley law these
thirty-eight fabrics were assessed an
average duty of 25.36 per cent. Under
the Payne-Aldrich law they pay 41.78
per cent—a revision upward equal to
26.07 per cent of the former rate as
compared with 64.97 per cent increase
on manufactures of the favored few.

On just three among the 100 samples
was there a decrease in duty. These
were the silk and cotton fabrics (silk
mills) that pay more than 100 per cent
duty. On these three samples the re-
duction averaged 5.06 per cent on the
former duty—a reduction from 118.79
per cent under the Dingley law to
119.44 per cent under the Payne-Ald-
rich law. On one of the silk and cot-
ton samples there was an increase
amounting to 21.38 per cent. The fifth
of the silk and cotton samples was left
unchanged.

On the forty-five of the ninety-five
all cotton samples there was no change
in duty.

On the three remaining samples
completing the total of 100, no com-
parison is made because of apparent
lack of authentic foreign prices.

And still President Taft said in his
speech at Boston, April 25 last:

"If the Payne-Aldrich bill was a
question, congress could make its own
computations. The official explanation
for refusing to publish the table show-

ing whether the tariff had been raised
or lowered was that the market fluctu-
ations made it of no value." This was
only a quibble, because the respective
tariff acts were so arranged that the
increase in duty on a sliding scale kept
pace with the price fluctuations.

The tariff board chose to print tables
that would show only the assessment
of duty under the two acts and left it
to anybody who desires the informa-
tion to figure out for himself the sig-
nificant facts above set forth.

Benefit Only to Privilege.

From every point of view of the
tariff grafter it is no doubt highly de-
sirable that such facts, staggering as
they are to the dishonest pretensions
that the cotton tariff was really lower-
ed, should be buried as deeply as pos-
sible in a mass of unexplained statis-
tics. But it is to the advantage of
every honest manufacturer and mer-
chant who is seeking stability in busi-
ness and fair opportunity to make a
reasonable profit that the truth should
be made known. Just such policies of
official evasion and suppression have
made possible in the past the benefits
of tariff legislation by and in behalf of
the privileged few.

It is undisputed that the cotton
schedule as written in the house ways
and means committee by Representa-
tive Serrano E. Payne of New York did
not provide the full measure of "re-
vision downward" that the Republican
party had promised. Still it was not
until after the Payne bill went to the
senate finance committee, of which
Mr. Aldrich was chairman, that the
"interests" got in their most deadly
work. It is well known that Senator
Aldrich freely consulted, if he did not
actually permit, the Lippitt-McColl in-
terests to write into the amended bill
the duties affecting their own products
—the fancy weaves made by only a
few of the largest and richest New
England mills.—New York World.

Will Campaign in New York.

New York, Aug. 1.—Governor Wood-
row Wilson will make his first in-
vasion of New York for campaign pur-
poses when he will be the guest of
honor at the Workingmen's Woodrow
Wilson club of the lower east side at a
dinner to be held at the Cafe Boul-
vard on Sept. 4. Governor Wilson will
deal, it is expected, with the problems
of immigration and the false impres-
sions that have been put upon his
views by the quotations of isolated
sentences from his different books.

STORY OF COTTON IS A THRILLER

A Narrative That Concerns the
Welfare of Millions.

SHOWS EVILS OF PROTECTION.

Whole People Robbed by a Tariff That
Rich Manufacturer May Benefit.
Robert Kenneth MacLea, Consulting
Expert of the Tariff Board, Shows
That the American People Are
Multitude of \$88,000,000 a Year.

New York, Aug. 1.—Did you ever
hear the story of cotton?

It is as thrilling as a narrative of
adventure. It is as interesting as a
novel—interesting particularly because
it concerns the welfare of millions of
people who wear cotton goods. It is
interesting because it is the dress of
the poor, the universal substitute for
wool and silk. It is interesting, fur-
thermore, because it is true.

The story of cotton is the story of a
protective tariff for the benefit of rich
manufacturers at the expense of the
whole people who wear cotton goods.

It has been reasonably calculated
that because the cotton tariff is fixed
by the Payne-Aldrich law the Ameri-
can people are paying \$88,000,000 more
every year than they should pay for
their cotton goods and that a saving
of this amount could be accomplished
by a reasonable reduction in the pres-
ent duties.

The story of cotton is told by an
expert, Robert Kenneth MacLea, consult-
ing expert of the tariff board, in a se-
ries of articles published in the New
York World. Mr. MacLea's views are
the views of a lifelong Republican, a
friend of the protective policy of the
Republican party, but at the same time
an opponent of tariff graft and favor-
itism. To this work Mr. MacLea has
brought a varied experience, covering
more than twenty years, in the man-
ufacture and marketing of textiles.

He first distinguished himself as an
advocate of honest tariff legislation by
finding the "jokers" of the Payne-Al-
drich act, when the agents of a few
New England mills were permitted to
write their own rates to suit them-
selves. He was chairman of the tariff
committee of the New York Dry
Goods Merchants' association and in
that capacity conducted a campaign
which attracted the attention of the
newly created tariff board. To accept
the position of consulting expert to the
board he gave up the management of
the domestic business of the New York

firms of R. B. MacLea & Co. and Con-
verse & Co.

The story of cotton is a companion
piece to the story of Schedule K—the
woolen schedule—declared by Presi-
dent Taft to be infamous and indefen-
sible.

The findings of the tariff board with
regard to the woolen schedule were an-
alyzed by Chairman Underwood of the
ways and means committee and con-
demned as inaccurate, incomplete and
worthless as an aid to legislation.

When the tariff board's findings on
the cotton schedule were made public
the World decided to make its own
investigation concerning it, and Mr.
MacLea was selected for that purpose.
The World had the findings of the
board on manufacturers of cotton dis-
sected from the practical point of view
of business, analyzed in their relation
to the interest of the consumer and
the facts translated into the language
of the everyday man and woman.

One hundred cloth samples purchased
in representative domestic markets
were made the basis of the tariff
board's findings on the cost of cotton
cloth produced in this country. Mr.
MacLea used the same cloth samples
as concrete illustrations of the work-
ings of the tariff and from these ex-
posed the very generally perpetrated
fraud of selling American made goods
as "imported" and showed why the
excessive tariff permits and fosters
this imposition.

Recognizing that the tariff would be
a vital issue of the campaign and that
controversy would center about Presi-
dent Taft's "nonpartisan" tariff board
and its work, the World undertook the
investigation of cotton and sought an-
swers to the following questions:

Has the work of the tariff board jus-
tified the delay in reducing the tariff
and giving relief from the high cost
of living?

What have the people gained in the
three years under the Payne-Aldrich
tariff IN RETURN FOR MORE THAN
\$5,000,000,000 TAXED OUT OF THEIR
POCKETS AND INTO THE POC-
KETS OF PROTECTED PRIVILEGE?

How honestly, impartially and thor-
oughly did the "nonpartisan" tariff
board undertake its task?

Several months before the cotton re-
port was completed Mr. MacLea de-
clares that he discovered sinister in-
fluences in the tariff board's working
to eliminate findings most damaging
to the favored few in the cotton mill
industry. Such suppressed information
as Mr. MacLea considers to be of vital
importance to the cotton industry and
the public has been presented in the
World. He has also explained what
the mass of figures of the cotton report
signifies and presented some of the
most important of the conclusions to
be drawn from that report, a work
which the board saw fit not to attempt.

The story of cotton, as written by
Mr. MacLea and published in the
World from time to time, forms one
of the most interesting and important
features of the present campaign.

Put a Good Roof on a Good Barn
This is a model dairy—fancy stock, scientific stable ar-
rangement—everything just right. And the roof selected for
this up-to-date dairy was

NEPONSET PAROID ROOFING

The Real Rival of Best Shingles

The matter of price had nothing to do with its selection. NEPONSET Paroid was
chosen because it lasts longer than shingles and adds protection—therefore makes a
better and safer roof. Yet NEPONSET Paroid actually costs less than shingles both to
buy and to lay. You will agree with leading farmers everywhere when you really
know NEPONSET Paroid. It is the permanent wear, economical roof for barns, stables,
all farm buildings.

FOR SALE BY
JOSEPH PETZEL

THE QUESTION OF CIGARS

is of the utmost impor-
tance to the habitual smok-
er. We have solved this
question for him by pro-
viding for his use the Cig-
ar that will meet his taste
in every respect, whether
he prefers a mild, medium
or strong smoke. It is
only necessary for a real
judge of cigars to try ours once—that once will make him
a permanent patron, both for quality and low price.

The Gem Confectionery

J. A. HENDERSHOTT, Proprietor

JOB WORK IS OUR SPECIALTY

FALL and WINTER GOODS

Our stock is always in season, because we take pains
to clear our shelves of the older goods at regular inter-
vals. For this reason you may always be sure of get-
ting the best and most timely articles at this store.

LADIES' AND MEN'S SUITINGS

MADE TO ORDER

are among the specialties we are able to offer you.
We can give you a wide choice of material, pattern and
style, and the garments are made to your order by a
reliable house that knows how We can please you.

CHAS. GEHLEN