

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 Exorbitant Price For Home Goods Because of Deception and Prohibitive Tariff.

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

New York, Aug. 10.—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 protective 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 perpetrated upon the consumer for the purpose 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 example of the operation of this fraud. Take the tariff board's cloth sample No. 56, described as a "printed dimity." This is a medium priced cotton fabric known to almost every American 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, etc.

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

REAL IRISH DIMITY, etc.

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 "bargain" in a supposedly "imported" fabric, on which the retailer was taking a profit of 80 per cent!

This happens to be a fabric representing the highest efficiency in American manufacturing. It is a class of goods in which we can compete advantageously with any country in the world. The tariff board's investigations discovered on sample No. 56 an American cost of production of 1 1/3 cents a yard. In all the mills investigated 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 manufacturer 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 margin 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 retail this at 25. He compares the domestic 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 demand for this material during the past season. Table No. 110 of the tariff board's report shows a manufacturing profit of 90 per cent. It costs to manufacture this cloth 12.16 cents a yard. The mill refuses to sell to any one excepting 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 competition.

For comparison take the value of the fabric on weight. At the manufacturing 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 jobber at 17.29 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-McColl 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. McColl 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. 10.—On not a single one of the ninety-five all cotton samples of fabric taken as the basis of the tariff board's investigations of the cotton schedule was there an actual reduction 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 leading 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 untrue. 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 he did 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 before him.

It is true that the cotton report of the tariff board did not make this information available at a glance to Mr. Taft or to congress or to the public. The tariff board carefully avoided giving this information in a gettable, understandable form.

Suppressed the Answer.

"Was the tariff raised or lowered?" has been an insistent question ever since the Payne-Aldrich law was enacted 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 emasculated 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 material on which the tariff was increased nine are the fancy weaves made in three or four New England mills commonly grouped as the "Lippitt-McColl interests." This is the clique of New England manufacturer-politicians who were permitted by Senator Nelson W. Aldrich to write the cotton schedule to suit themselves.

Of the nine Lippitt-McColl fabrics the Payne-Aldrich law jacked up the average duty from 36.57 to 60.33 per cent. In other words, the promised "revision downward" on these goods was really a revision upward amounting to 64.97 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 35.36 per cent. Under the Payne-Aldrich law they pay 44.78 per cent—a revision upward equal to 26.07 per cent of the former rate as compared with 64.97 per cent increase on manufacturers 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 reduction averaged 5.66 per cent on the former duty—a reduction from 116.70 per cent under the Dingley law to 110.44 per cent under the Payne-Aldrich law. On one of the silk and cotton samples there was an increase amounting to 21.88 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 comparison is made because of apparent lack of authentic foreign prices.

And still President Taft said in his speech at Boston, April 25 last: "It (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 fluctuations 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 information to figure out for himself the significant facts above set forth.

Benefit Only to Privilege.

From every point of view of the tariff crafter it is no doubt highly desirable that such facts, staggering as they are to the dishonest pretensions that the cotton tariff was really lowered, should be buried as deeply as possible in a mass of unexplained statistics. But it is to the advantage of every honest manufacturer and merchant who is seeking stability in business 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 juggling 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 Representative Sereno E. Payne of New York did not provide the full measure of "revision 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" not in their most deadly work. It is well known that Senator Aldrich freely consulted, if he did not actually permit, the Lippitt-McColl interests 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. 10.—Governor Woodrow Wilson will make his first invasion of New York for campaign purposes 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 Boulevard on Sept. 4. Governor Wilson will deal, it is expected, with the problems of immigration and the false impressions that have been put upon his views by the quotations of isolated sentences from his different books.

MARRIED IN COLORADO.

A clipping received from a Colorado newspaper announces the wedding of Miss Lavene Woolley, who is well known in the Tumalo and Gast neighborhood, to William Grow, at Grand Junction, Colo., on August 7. Mr. and Mrs. Grow will reside at Cedaredge, Colo.

SOCIALIST TICKET.

JUDGE: J. H. BARKLEY, of Culver.

CLERK: BERT BARNES, of Prineville.

SHERIFF: M. J. MAIN, of Bend.

COUNTY COMMISSIONER: W. H. BIRDSONG, of Prineville.

SUPERINTENDENT OF SCHOOLS: MRS. D. W. NICHOLS, of Laidlaw.

ASSESSOR: HENRY BEVINS, of Culver.

TREASURER: B. F. WILHOIT, of Prineville.

CORONER: W. GLENN LOUCKS, of Madras.

Clover Leaf Dairy PURE MILK AND CREAM

TELEPHONE and we will deliver S. L. STAATS, Prop.



SUNDAY ICE CREAM SPECIAL CHERRY NUT BRICK

Orders taken for HOME MADE PIES AND CAKES

Don't forget our DAINTY DINNERS AND SUPPERS.



MAKE or MAR your health

WHICH? It is for you to decide whether you are to make or mar your health. Proper attention to the warnings of nature will save you needless worry. A pimply skin or slightly upset stomach are nature's warning to you. They are the signals that tell you to "slow down." Make your health what it should be—do not mar it. Pay attention to nature's warnings. Help nature to assert herself.

There is a REXALL REMEDY for every ill. We are exclusive agents. Ask for free booklet.

PATTERSON DRUG CO. THE REXALL STORE.

Announcement

THE OWL PHARMACY

will reopen for business in the store room in the NEW FIRST NATIONAL BANK BUILDING on Bond Street as soon as it is completed.

Somewhat crippled by the fire, but still in the running, with NEW STOCK and LOW PRICES.

Ralph Poindexter, Proprietor

Look Here!

I own and wish to sell my 320 acres of deeded land, location the east half of Sec. 16, Town. 27 South, Range 18 East. Level, good soil, all tillable except perhaps twenty acres, raw land no improvements, about two miles from railroad survey, free of incumbrance, perfect title. I am told this should be cheap at \$3500 to \$4000. If it is not worth this price to you make me a bid on it. We must raise some money hence this offer. DON'T OVERLOOK THIS, HERE IS A BARGAIN FOR SOMEONE. Investors and Real Estate Men get busy. Address

E. H. Crumrine, Box 233, Butte, Montana

THE TARIFF IN SUMMER DRESS FOR HOT-WEATHER READING

17 CENTS OR 25?

A fancy wash fabric manufactured in New England for 9 2/3 cents a yard is sold by the manufacturer at 14 1/4 cents—a manufacturing profit of 47 1/2 per cent, less selling expenses of 5 or, at most, 6 per cent. The jobber (wholesale distributor) adds 3 1/4 cents—a profit of 22 1/2 per cent, less selling expenses. The retailer adds another 42.8 per cent, and the American housewife gets the cloth at 25 cents—cloth that in England can be bought retail for 17 cents, identical in weave and quality! WHY?

15 1-5 CENTS OR 20?

Cotton curtain scrim, found in millions of homes, is made in America at a cost that gives the manufacturer ample profit, selling it to the print works at 6 cents a yard. The print works sells to the jobber at 10 1-3 cents, although it finishes the goods at a cost of 137 cents. The jobber adds 20 per cent, laying down the curtain scrim to the department store at 12 1/2 cents. The retailer charges the American housewife 19 to 20 cents. More than likely he advertises it as "IMPORTED" and sells it for the top price, because the tariff is so high that the genuine imported goods cannot be sold for less. It costs just as much in England to make this curtain material, yet the English retailer sells it for 15.22 cents (7 1/2 pence) a yard, against 19 to 20 cents under the American tariff! WHY?—From N. Y. World.