

REFORMING THE TARIFF.

The Majority Report of the Ways and Means Committee on the Mills Bill.

Shall Taxation Be Reduced or Shall the Surplus Be Systematically Squandered.

Why Wool Should Be Placed on the Free List—Hitting the Trusts.

Following is a synopsis of the report of the majority of the House Ways and Means Committee on the Mills tariff bill:

The report cites that the surplus for the last fiscal year was \$3,000,000, and for the current year is estimated at \$2,000,000 and over.

With receipts growing larger and expenditures growing smaller, we must soon gather in the treasury the larger part of the circulation of the country, to the great injury of its business and the bankruptcy of many of its people. Some method must be adopted by Congress to prevent the congestion which must occur under existing laws.

There are two ways in which this excessive accumulation may be prevented. We may reduce taxation to the level of expenditures, and leave in the pockets of the people all money needed for public purposes. We may raise expenditures to the high level of taxation, seeking at new and needless objects of appropriation on which to lavish the great and growing revenues not needed for any legitimate wants of the public service. If we adopt the latter course, these very objects of useless expenditures will gather upon Congress in such increasing numbers and with such growing demands as to fasten upon the Government a permanent and unchangeable policy of extravagant and reckless appropriations. This policy once adopted will not only breed corruption in public life and deterioration of private life, but will, in time, in period of depreciation, an increased rate of taxation for the people or an increase of bonded debt for the Government.

Then, stating that there is but one safe course—viz., reduction of taxation to the necessary requirements of an honest and efficient administration of government—the report suggests the question, "Upon what articles shall the reduction be made?" and proceeds:

The committee have determined to recommend a reduction of the revenues from both customs and internal taxes. They have carefully kept in view all the interests of the manufacturer, the laborer, the producer and the consumer. The bill herewith reported to the House is not offered as a perfect bill. Many articles are left subject to duty which might well be transferred to the free list. Many articles are left subject to rates of duty which might well be lessened.

In the progressive growth of our manufactures we have reached the point where our capacity to produce is far in excess of the requirements of our home consumption. As a consequence, many of our mills are closed, and many of those still in operation are running on short time. This condition is hurtful to the manufacturer, to the laborer, and to the producer of the materials consumed in manufacture. The manufacturer loses the profit on his article, the laborer loses wages, and the producer of the materials consumed in manufacture loses the market for his products. Manufacturers, in many instances, to guard against losses by low prices, caused by an oversupply in the home market, are organizing trusts, combinations, and pools to limit production and keep up prices. This vicious condition of business could not exist with low duties on imports. Prohibitory tariffs surround the country with lines of investment and prevent all relief from without. Trusts, combinations, and pools plunder the people within.

In a country like ours, profits in its resources where the rewards of labor are large, the capitalist may, by such methods, make his investments secure and still make profits; but what is to become of the laborers who are thrown out of employment by stopping the wheels of machinery and limiting the amount of product? And what is to become of the producer of the materials to be consumed by the manufacturer? When the fires are shut off the laborers and the materials are shut off at the same time, and the market for both is gone. Whether they labor in the factory or the field; whether they produce cotton, wool, flax, coal, or oil; whether the products of their labor is cloth, iron, steel, boots or shoes, they must have constant employment to obtain for themselves and families the necessities and comforts of life. When out of employment, with earnings cut short, with low prices for their products, caused by the closing of the market, they still must pay for whatever their daily wants require the prices which the trusts have fixed. What is the remedy for this wrong? It is more extended markets for the sale of our products and a constant and active competition in business. With active competition combinations and pools are impossible. With the removal of the restrictions to us, manufacturers may run their mills on full time and give constant employment to their laborers, with a steadily increasing rate of wages. With the markets of the world open to the sale of their products they will create an active and constant demand for all the raw materials required in manufacturing, which will stimulate, promote and reward the wool-grower and the producer of cotton, hemp, flax, hides, ores, and other materials of manufacture.

The annual product of our manufacturers is now estimated at \$200,000,000, and the amount we export only about \$100,000, or less than per cent. If we could obtain free of duty such raw materials as we do not produce and which can only be produced in foreign countries, and mix with our home product in the various branches of manufacture, we could soon increase our exports several hundred millions. With untaxed raw materials we could keep our mills running on full time, our operatives in constant employment, and have an active demand for our raw materials in our own factories. If there should be no duty on any materials entering into manufactures many articles of apparel and household goods would be made, and manufacturers may run their mills on full time and give constant employment to their laborers, with a steadily increasing rate of wages. With the markets of the world open to the sale of their products they will create an active and constant demand for all the raw materials required in manufacturing, which will stimulate, promote and reward the wool-grower and the producer of cotton, hemp, flax, hides, ores, and other materials of manufacture.

In starting on this policy we have transferred many articles from the dutiable to the free list. The revenues now received on these articles amount to \$22,189,500. Three-fourths of this amount is collected on articles that enter into manufactures, of which wool and tin plates are the most important. The revenue derived from these during the last fiscal year amounted to \$8,899,916, and the revenue from tin plates to \$5,700,433.

"The repeal of all duties on wool enables us to reduce the duties on the manufactures of wool \$12,332,211. The largest reduction we have made is in the woolen schedule, and this reduction was only made possible by putting wool on the free list. There is no greater need for a duty on wool than there is for a duty on any other raw material. A duty on wool makes it necessary to impose a higher duty on the goods made from wool, and the consumer has to pay a double tax. If we leave wool untaxed the consumer will have to pay a tax only on the manufactured goods. We say to the manufacturer we have put wool on the free list to enable him to obtain foreign wool cheaper, make his goods cheaper, and send them into foreign markets, and successfully compete with the foreign manufacturer. We say to the laborer in the factory, we have put wool on the free list so that it may be imported and he may be employed to make the goods that are now being made by foreign labor and imported into the United States. We say to the consumer we have put wool on the free list so that he may buy wool cheaper. We say to the domestic wool-grower we have put wool on the free list to enable the manufacturer to import foreign wool to mix with his and thus enlarge his market and quicken the demand for the consumption of home wool, while it lightens the burden of the taxpayer. The duty on wool now prevents all the better classes of wool from coming into the country; the domestic product can supply only about one-half of the amount required for home consumption. The Wool-growers' Association asks us to put on a duty high enough to prevent the importation of all wool. The Wool Manufacturers' Association asks us to put on a duty high enough to keep out all manufactures of wool. If Congress

grants this joint request what are the people to do for winter clothing? Are the people to be compelled by Congress to wear cotton goods in the winter or go without to give bounties to wool growers and wool manufacturers? In the woolen schedule we have substituted ad valorem for specific duties. The specific duties are the favorite of those who are to be benefited by high rates, who are protected against competition and protected in combinations against the consumers of their products, because it conceals from the consumer the tax he pays the manufacturer.

"—The Commissioner of Labor's report shows the true nature of specific duties, and the consumers can see why it is that manufacturers claim for them. They know the different values of these goods, and what apt words will embrace the high and low priced together and make the poorer people pay the same tax for a yard of cloth worth 45 cents that the wealthy do for a yard that costs \$3.66; but that fact the specific tariff conceals. The ad valorem rate taxes everything according to its value. A duty of 40 percent, ad valorem would have imposed a tax of \$1.44 on the yard of broadcloth, and 18 cents on the yard of warp cloth that cost 4 cents, and that duty would have been fair to both. As it is, the tax is 180 per cent on the cheap cloth and 50 per cent on the high-priced broadcloth.

"In the cotton goods schedule we see the same vicious, inequitable, and illogical results of the specific duty.

The decrease of the production of hemp and flax under duty is discussed, and the reasons given for placing on the free list; also briefly the reductions on earthen and glass ware and steel rails. Our sugar report says:

"We have added to the report received from sugar on 20 per cent, and extended the first class from No. 13 to No. 16 Dutch standard of color. The sugars between Nos. 13 and 16 are grades of brown sugars which can go into consumption without refining and consumers may protect themselves against trusts and combinations by purchasing these grades of imported sugar when the price of the refined is put up and kept up by organized trusts of the domestic manufacturers. The rate of all sugar above No. 16 is reduced so that foreign refined sugar may be imported to prevent foreign sugar and protect the consumer against combinations."

A reduction in the price of all canned goods is a benefit to the manufacturer of cans as reported as results of freeing tin-plate. The report concludes:

"The bill which the committee reports provides for the repeal of all restrictions on the sale of tobacco by the producer and for the repeal of all taxes on tobacco except on cigars, cigarettes, and cheroots, and of all privilege and license taxes except those for manufacturing and selling cigars, cigarettes and cheroots."

A STUDY FOR TAXPAYERS.

Interesting Facts for Consideration in the Quiet of Home.

[Manchester (N. H.) Unison.]

Starting with the admitted fact that the average tariff tax on imports is not less than 41 per cent, and that the list, according to the report of the Secretary of the Treasury in 1885, comprises 4,182 articles, let the intelligent voter consider, as he looks around his home, what part of the list interests him. He can sit by his kitchen fire and find the following articles which have drawn money from his pocket and the tax on each:

The iron in the stove	45
Pots and kettles	53
Copper and brass utensils	45
Crockery, commonest kind	55
Glassware, cheapest kind	45
Table cutlery and spoons	45
Pickled or salted fish	25
Salt	50
Butter	111
Sugar	36
Vinegar	36
Pickles	35
Rice	112
Foreign fruit	20
Carpet, if made of druggists	74
Carpet, if made of tapestry	68
Furniture	35
Wall paper	25
Window curtains	45
Looking-glass	60
Men's clothing of wool	55
Woolen hose and undershirts	75
Cotton stockings	45
Woolen hats and caps	75
Wife's black silk dress	50
Gloves	60
Blankets	70
Alpaca dresses	63
Any other woolen dresses	70
Brass pins	30
Scissors, razors, hairpins, steel pins	45
Penknives	50
Needles, ink, paper	25
Castile soap	50
Castile salts	30
Insect powder	20
Salad oil	34
Window-glass, commonest kind	81
Paint, white lead	54
Bricks	33
Spool thread	60
Bags and bagging for grain	40
Combs and brushes	30
Alpaca umbrellas	50
Any iron or steel, average of	45
All tinware	42

The list might be extended, but enough are given to furnish food for thought. If this heavy burden were necessary to support the Government, no patriotic citizen would object to the tax thus imposed; but the truth is it is not necessary. By the maintenance of this tariff, money is being drawn from the people that is not needed and cannot be used. The injustice of such a system is too evident to need discussion, and the suggestion that the injustice be done away with and the taxes reduced to the actual needs of the Government is the cause of all the howling about free trade and dangers to American industries. There is still greater injustice in that the tariff does not bear equally upon the people.

War in the Protection Camp.

The distinguished gentleman from Ohio who addressed the meeting at Music Hall told his audience that if Rhode Island dared to touch the wool on the sheep's back the wool-grower would turn around and make this State a howling wilderness. In other words, we are here not by the grace of God, but by the forbearance of Western shepherds. The protection which these eminent agriculturists already demand for their staple is rapidly destroying our manufactures, so that one after another the mills are closed and the operatives driven to some other industry. The Republican candidate for Governor was constrained to withdraw from manufacturing by the unsatisfactory condition of the business under the present tariff. It is perilous talk for Ohio to shake her fist in the face of Rhode Island and tell us that if we don't die dare to do it.

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