

TARIFF LETTERS TO FARMER BROWN.

NO. 4.

Where the Tariff is a Tax to the Hill.

Dear Farmer Brown:

In my last letter I stopped abruptly with the mere mention of the third class of commodities, which are either not made here at all or are made in quantities not sufficient for the home demand.

On this class the tariff is a tax to the full amount of the duty on both the imported and the domestic article. I am happy in having Major McKinley and his committee in agreement with me on this point. He says in the report on the tariff bill, in speaking of the duty on sugar, that "it is a tax which is added to the price not only of the imported but of the domestic product." He shows that the duties collected on sugar were \$55,975,010; and then he makes the following remarkable statement—remarkable for him: "Add to this the price of domestic sugar arising from the duty, and it is clear that the duty on sugar and molasses made the cost of the sugar and molasses consumed by the people of this country at least \$64,000,000, or about \$1 for each man, woman and child in the United States more than it would have been if no such duties had been levied and the domestic product had remained the same."

In making this statement Maj. McKinley is entirely in the right. The sugar duty, which he has just removed, was \$2.22 per hundred pounds on raw sugar. But 112.5 pounds of raw sugar is necessary to make 100 pounds of refined; the duty therefore, entering into 100 pounds of refined sugar was \$2.50. Now, I have before me a table of the prices of the best granulated sugar in New York and in London during the first nine months of last year; and the figures show that this sugar ranged from \$2.50 to \$3.57 per hundred cheaper in London than in New York. The price ten days ago was \$3.80 per hundred in London for granulated sugar, and \$6.625 in New York, or a difference of \$3.825 per hundred, or actually more than the duty. Maj. McKinley did not state the case any too strongly.

Maj. McKinley, however, is careful to point out the fact that we produce only one-eighth of our sugar, and this is claimed by him as the explanation of the fact that the entire duty is added to both our native sugar and the imported article. He takes the trouble to tell us that this "is not true of duties imposed on articles produced or made here substantially to the extent of our wants." Let us see how this works with lead. Our production last year, as stated before the McKinley committee, was 190,000 tons, while our imports were stated to be only 1,172 tons. The home market is secured to domestic producers by a duty of 2 cents per pound. And now for the prices: The latest reports give the New York price at 5.30 cents a pound; and dispatches from London on the same day give the price there at 3.08 cents. The difference of 2.22 cents being more than the duty. In view of the higher price here growing out of recent tariff legislation, the importing point has been reached, and accordingly the New York Commercial Bulletin states, in the same report from which I have quoted the above prices, that 1,500 tons have recently been imported. This means that the entire duty is added to the domestic lead, and then the foreign articles can begin to come into competition. This case shows conclusively the error of Maj. McKinley in the assertion "just quoted from him."

Another case showing that the entire duty, and even more, may be added to the domestic article is that of linseed oil. The duty on it was 25 cents a gallon under the old tariff that has just passed out of date. The New York price of linseed oil, as was testified before McKinley's committee, was 62 cents a gallon, and the London price was only 32 cents, five cents more than the duty being added by our linseed oil trust, which controls nearly the entire manufacture in this country.

Notwithstanding the arbitrary manipulating of prices by the trust, Major McKinley actually raises the duty to 32 cents a gallon. Here, therefore, the trust was not able to put up the price of oil above 63 or 64 cents a gallon, for then imports would set in; but now that McKinley has given seven cents additional protection, we may expect to see the price go higher.

Besides these cases hundreds of others might be mentioned where the whole duty is added; but in many kinds of commodities a fair comparison is extremely difficult, owing to the fact that we cannot know whether we are comparing precisely the same article or quality. This is particularly the case with all kinds of dry goods, and in nearly all articles of complicated manufacture.

A vast number of industries went before McKinley to plead for higher duties, showing how they would be injured, or even ruined, if higher protection were not given. It was pointed out by them that foreign competition was interfering seriously with their home market.

It is clear that all such industries sell at prices equal to that of the foreign article, with the duty added. How could there be competition otherwise? For example, our window-glass manufacturers, who have just formed their trust, pleaded with Maj. McKinley that foreign competition was increasing, and that therefore they needed higher protective duties—which were given to them. Now the average duty paid on foreign glass last year was 105 per cent; in other words, on every dollar's worth of glass there was a duty of \$1.05, the dollar's worth costing thus \$2.05, not including commissions to the importers and other expenses. Now the question is, How could that foreign glass compete with American glass unless the American manufacturers should try to sell a dollar's worth at \$2.05? The fact is, they wanted to sell the dollar's worth at more than \$2.05, and that is why they raised their false cry of distress for higher duties; and that is why they formed their trust. They wanted to bag the game that McKinley had started for them.

How many kinds of commodities are thus taxed at higher rates in the McKinley bill? Their name is legion, and it is needless to try to name them. Let us hold fast to the rule that industries which ask for higher duties by reason of foreign competition are already charging up to the high-water mark of the protective duty.

Having now shown that the tariff duty, where it is protective, is always a tax, I will examine in my next letter the question who pays the tax, and will deal particularly with the claim that "the foreigner pays the tax." Yours truly,

RICHARD KNOX.

Judge Cooley's Opinion.

Judge Thomas M. Cooley, of Michigan, who is now President of the Interstate

Commerce Commission, and who is one of the foremost constitutional lawyers of the country, has expressed his opinion of protection in the following words:

"Constitutionally, a tax can have no other basis than the raising of revenues for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful. A tax on imports, therefore, the purpose of which is not to raise revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacturer, may well be questioned as being merely colorable, and, therefore, not warranted by constitutional principles."

Then what about the McKinley bill, with its fundamental idea of "intentional protection and incidental revenue?"

Protection and Prices.

The following from the *Dry Goods Economist* of Oct. 4 is instructive: "It will be interesting to watch the effect of higher prices upon the popularity of the new tariff which has caused them. We shall soon hear from the consumer, and, in fact, already there are loud murmurs on every side. As a rule, ladies are proverbially indifferent to politics, but when they find out, as they are now doing, that something has been done by the politicians which results in adding from 20 per cent. to 25 per cent. to their dressmaker's and millinery bills, we fancy that we shall hear from the disgruntled sex in tones that no judicious man will be likely to ignore."

So it seems from this protectionist paper, which is, however, fair in its spirit and tone, that the tariff does raise prices. The best representatives of the school of protection to which this journal belongs do not deny this. But the politicians, and demagogues, and "fat friers," and boodlers do deny this, and they have insisted upon their peculiar theory so strenuously and for so long a time that many voters who have given this matter little thought will be surprised at the upward movement of prices which has already begun. We read, for instance, in this same number of the *Dry Goods Economist*, of a meeting of the pearl button trust, the purpose of the meeting being to discuss the tariff, and to do justice to the present and future condition of the market in this article, which affects every large and small manufacturer, every woman and child in the United States.

It was decided to increase the price of the stock in hand by 25 per cent. On all future importations 50 per cent. is to be added to the price of these goods. The firms represented at this meeting do a business amounting to millions of dollars, and virtually fix the price for pearl buttons all over the country.

The old duty on these buttons was 25 per cent. The new duty is "25 cents per line, button measure, of one-fourth of an inch per gross, and in addition thereto 25 per centum ad valorem."

And the hypocrites who did this thing give as the reason for their action:

"The change from ad valorem to specific rates is intended to be an increase for the protection of the domestic industry against the competition of foreign convict labor."

So, buttons go up—and the consumers suffer.

The same thing is true all along the line. Wanamaker has issued a circular advising his customers to buy now, as he says, the manufacturers have had their way, and prices, especially on tinware and kitchen furnishings, are sure to advance shortly.

On drugs, the increase will be from 10 to 33 per cent., so that a man cannot be "poked or purged" without paying smartly for it.

It cannot be insisted on too strongly that in all this business there is not a thought given to the consumer. And if the consumers do not wake up and take some thought for themselves, they are going to get left. It is to be hoped that the tariff-raised prices will arouse in them a realizing sense of the blessings of protection. In the meantime it is comforting to know that the tariff is a tax, that it is added to the price, and that it is paid by the consumer. And we are further consoled with the assurance that the McKinley administration is, in the main, satisfactory to the manufacturers.

Sewing Machines for Americans and for Foreigners.

The protectionists have been much worried by the facts recently brought out to show that our protected manufacturers are selling their goods more cheaply to foreigners than in the home market. These facts were first published at length and in detail by the New York Reform Club in a pamphlet entitled "Protection's Home Market."

The subject was afterwards taken up in the Senate debate by the Democrats, and the proof that lower prices are charged to foreign buyers was brought out very fully and effectively by Senators Carlisle and Vest.

The farmer's wife can see how this matter works in the case of sewing machines, on which there is a duty of 45 per cent. ad valorem. The facts about the prices charged by our manufacturers for these machines in the home and in the foreign market are given in the following extract from the Reform Club's pamphlet:

	To Home Market.	To Foreigners.
Best Make Machines.....	\$34.00	\$41.00
Medium Machines.....	\$21.00	\$27.50
Fine.....	\$27.50	\$34.00

"A cheaper machine manufactured in the United States is sold to the home dealer for \$18.00 and to the exporter for \$12.00."

"Another prominent manufacturing company sells the machine for which it charges the American dealer \$20.00 for export to South America for \$5.00."

"This system of charging American buyers higher prices for their machines than buyers in England, is not confined to a single company but is characteristic of them all."

That is how protection works. It puts up a wall around the country in order that our manufacturers may be exempted from competition from abroad, and then these manufacturers turn around and charge more in this protected home market than they charge to foreigners.

"This," as the *American Machinist* says, "is likely to strike the American purchaser as being a little rough on him. Is it not more than 'a little rough'?" Is it not a downright injustice to those who bear the burden of protection in behalf of these manufacturers? As the *Engineering and Mining Journal* says, "it is not fair that our own people should be made to pay more than foreigners for the products of our own land."

Manufacturers who make these reductions to foreigners need no protection

whatever. It is absurd to claim that they do. Yet Maj. McKinley does not take this reasonable view; he continues to the sewing machine manufacturers their 45 per cent. protection.

The precise effect of this duty is that the purchaser of a \$20 machine must pay \$9 extra, or \$29 in all. This extra \$9 goes into the pockets of the domestic manufacturer, as the high duty shuts out, practically, all foreign machines. It will not do to say, as the protectionists always do, that the full duty is not added; for here is one manufacturer who sells a machine for \$5 in South America and for \$20 in the United States.

It is as Uncle Remus says about witches: "Dey comes diffunt."

Duties for Rich and Poor.

Maj. McKinley, in submitting his famous, or infamous, tariff bill to Congress last spring, said: "The committee, responding as it believes to the sentiment of the country and the recommendations of the President, submit what they consider to be a just and equitable revision of the tariff."

A just and equitable revision of the tariff.

Let us see.

The fine cassimeres, worn by the rich, are advanced in duty 25 per cent., while woollens, worn by the poor, are advanced 40 per cent.

Broadcloth is advanced 20 per cent.; cotton corduroy 114 per cent.

Sealskin saques are reduced 33 per cent.; imitation sealskin saques are advanced 120 per cent.

Silk velvets are not advanced at all; cotton velvets are advanced 100 per cent.

Silk linings are taxed at the same rate as under the old tariff; cotton linings are advanced 25 per cent.

Silk laces are advanced 20 per cent.; cotton laces 50 per cent.

On black silk there is no advance; on black alpaca there is an advance of 60 per cent.

Silk handkerchiefs are advanced 20 per cent.; cotton handkerchiefs 50 per cent.

Silk stockings are advanced 10 per cent.; cotton stockings are advanced 15 to 25 per cent.

On the finer grades of linens, worn by the rich, the McKinley duty is 35 per cent.; on the coarser grades, worn by the poorer classes, the new duty is 50 per cent.

Yet these are duties imposed in a bill "to reduce the revenue and equalize duties on imports," and are what McKinley calls "a just and equitable revision of the tariff."

Ireland Not Yet Ruined.

A correspondent of the New York *Tribune* writes a letter to that hide-protection organ on "Ireland's Prosperity," which ought once for all to explode the campaign story about how "British free trade has ruined Ireland."

"Irish prosperity in Ireland itself," says the writer, "is an established and joyful fact; and he adds: 'Ireland is today more prosperous than she has been for many a year.'"

He shows that crops are generally good, manufactures increasing, and that there is a healthy increase all along the line."

In 1873 the deposits in postal savings banks were only 80 cents per capita; in 1877 they were \$1.21; in 1887 they were \$2.83; and in 1897 they were \$3.25 or more.

In joint-stock banks the returns for the year ending with June 30, 1890, show deposits and cash balances of \$165,305,000, "which is the largest sum ever recorded in Ireland."

In trustee savings banks, the deposits have increased 4 per cent. in a year.

Notwithstanding the harsh English rule in Ireland, the country is growing more prosperous. How does that come about, if "British free trade" is ruining the island? Should not the evil effects of that trade be a constant quantity, and press with greater weight as time advances? That is the doctrine that protectionists preach. Every undeveloped country that trades with a well-established country must grow constantly poorer. That is their doctrine. How is it then that Ireland is growing richer?

A Prayer for Mercy.

Senator John Sherman hopes that the manufacturers who are favored under this new law will not go to forming trusts, or to taking an undue advantage of the great opportunities which he and his friends have given them.

Mr. Sherman should hire himself out as a man in a minstrel show, or adopt the profession of after-dinner speaking. Hitherto he has not shone as a humorist.

He has been a rather serious and sober sort of a statesman. But now, at a single bound, he becomes the foremost wit of the country.

"Be careful," he says to the manufacturers; "go slow. You have got a good thing, but please don't get rich too fast. We have given you a protective duty of 100 per cent. or so. You can use it all, but please don't; you can easily form a trust and force prices up out of sight, but we hope you will not do so. Such action would hurt us, and really you ought to be considerate of our feelings."

After Mr. Sherman has voted to give the gentlemen everything they want, his threat to move for the repeal of the McKinley law or any portion of it, is not likely to have much weight. And why shouldn't men take advantage of their opportunities? If the Binding Twine Trust wants to "skin" the farmers and if Congress, at its dictation, fixes things so that it can do it, what right have we to think that it will be very careful of the epidermis of the agriculturist?

The truth, of course, is that the Ohio Senator was playing the demagogue. He helped to create the conditions under which robbery is easy of accomplishment, and then he begs the strikers to stay their hand. The ordinary, straight-thinking man will want to know why people cannot be allowed to keep their own property in the first instance, instead of being compelled to be satisfied with what the thieves are good enough to leave them.

CONGRESSMAN SPRINGER of Illinois, used a phrase in one of the New York county fair tariff debates which is likely to become historic. He told one of his audiences that the time had come when the farmers would have to choose between "the Grand Old Party and the Dear Old Homestead." That is a graphic statement of the situation, and the crowd "caught on" at once.

McKinley's idea is to increase taxation and to diminish revenue. When the people see that there is going to be a deficit in spite of the outrageous load of taxes they are carrying, Mr. McKinley is likely to hear something dire.

MEN are born to be servicable to one another, therefore either reform the world or bear with it.

INDIANA ITEMS.

BY OUR GREAT AMERICAN CON-DENSER.

Scalped by a Wagon Wheel—Bought His Wife a Divorce—Suspended by His Neck—Decapitated by a Train—Left Two Widows.

—Harvey Holley suicided at Montpelier.

—Pilot R., the race-horse, fell dead at Wingate.

—Somerville has a case of genuine small-pox.

—August Lehrin, a farmer in Adams County, fell dead.

—A Chinese gambling den was unearthed at Peru.

—John W. Grim, alleged bigamist, arrested at Kokomo.

—Big fire occurred in Greenfield. Loss will reach \$10,000.

—Henry Newby, Russiaville, was robbed by footpads.

—Samuel Anderson was killed by a freight at Greenfield.

—Scarletina and measles are spotting the people of Muncie.

—J. O. Schofield, general merchant of Harris City, gone under.

—Peter Kiser, oldest citizen of Fort Wayne, dropped dead.

—Track laying on the C. W. & M. has reached Knightstown.

—Louis Asteller was fatally injured by a train at New Albany.

—Mettie Kennedy was terribly burned by molten lead at Muncie.

—Volunteers for the regular army can now enlist at Fort Wayne.

—An unknown woman deserted her infant babe at Frankfort.

—Fiends burned a threshing machine in the field near Thornton.

—Frank Richardson was caught in a shaft at Franklin. He will die.

—George Laff's team ran away and killed him instantly at Covington.

—Erastus Shuman, leading merchant of Fort Wayne, went up the flume.

—Sugar Creek, in Montgomery County, is to be stocked with black bass.

—Charles Scantlebury was stricken with paralysis at Brazil and died.

—A Kokomo cannery factory turns out 250,000 cans of tomatoes weekly.

—Eddie Calvin, a 3-year-old of Attica, drank concentrated lye and died.

—Bringham had a saloon but the citizens poured its liquor in the gutter.

—Barn of Christian Huffman was burned at Vincennes. Loss, \$5,000.

—A Goshen youth picked at a dynamite cartridge. He's minus a hand.

—Benton Harbor express collided with a freight. Two engines were wrecked.

—Isaac E. DeLong was killed while working at a gas well near Strawtown.

—A prisoner escaped from the Wayne town calaboose by crawling up the flue.

—The wrath of Morgantown's residents against the saloons is not appeased yet.

—Another attempt has been made to dynamite Musselman's saloon at Morgantown.

—An Indianapolis father mistook his toddling boy for a burglar and shot him dead.

—An infant son of Edward Coy, of Jeffersonville, was dangerously gored by a cow.

—At a saw-mill in Greencastle, a log rolled over foreman Nichols. He may recover.

—The residence of Martin County's ex-sheriff was burned. The family narrowly escaped.

—Morgantown toughs attempted to clean out a saloon. Knives and shooters were used.

—The plans for the new Union depot at Terre Haute have been completed and accepted.

—Tie tourists held a high time at Richmond until the officers got them on the tramp again.

—An 8-year-old son of William Nash, Crawfordsville, fell on his open pocket knife. He's dead.

—Thieves burgled the grocery store of M. Jakes. Demolished the safe with powder and got \$135.

—Horace Falls, a Martinsville 12-year old, gorged himself with paw paws. He's with the angels now.

—Edward Ryan, of Jacksonville, Ill., was dangerously stabbed in a saloon brawl at Vincennes.

—Evansville will have a Tri-State Fair. Business Men's Association have subscribed \$100,000.

—Shameful prize-fight took place in a barn near Shelby. Participants pounded each other for over an hour.

—Can Stewart struck Charley York in the head with a lump of coal at Columbus and knocked out his eye.

—The reunion next year of the Eighty-sixth Regimental Association will be held at Crawfordsville, on October 7 and 8.

—Mrs. Levi Trayer died at Middleburg, from injuries received in a Lake Shore wreck, in which her husband was killed.

—A man at Darlington, Montgomery County, has offered his wife \$325 if she will get a divorce from him. She has accepted.

—The 12-year old daughter of Anton Alt, of Fort Wayne, was sent to the grocery by her mother to get some provisions and has not returned.

—W. F. Pettit, in jail at Crawfordsville, charged with the murder of his wife, says that he is annoyed by newspapers that still print "Rev." before his name. He "quit that business over a year ago."

—T. J. Benek and Clara Olnhausen arrived at Logansport from Columbus, Ohio, with a view to getting wedded right away quick. A constable met and escorted them to a hotel and locked them in separate rooms until the irate parents arrived.

—Alex Amos and John Alstndt went gunning in Pike County. Latter will die with bird shot in one lung.

—John Mozetter, of Portland, took morphine, it is believed with suicidal intent, and will die.

—The accounts of the ex-City Treasurer of Terre Haute, have been found short \$15,522.59.

—O. J. Sackman's general store at Burdick was burgled to the extent of \$500.

—Important sections of the new election law have been declared unconstitutional.

—A brave young woman prevented the escape from the Spencer Jail of three desperate criminals.

—Harry Bloch, a combined Chicago printer and thief, was pulled at Evansville for stealing a watch.

—Worked the mad-stone cure on two children of Mrs. I. T. Brown, Wirt, who were bitten by a rabid dog.

—Charles Shearer was arrested at West Point, charged with burning a bridge in Shelby County, Ohio.

—Frederick Stachley, Columbus, died and left \$10,000 to a young man named Greiser who'd been kind to him.

—Capt. Newton H. Baker died at his home in Wabash. He was one of the first captains on the Erie Canal.

—The Greensburg Creamery Company will begin operations at their creamery, after lying idle about six months.

—Johnny Weiss fell out of a tree at South Bend. The shattered bones of his leg protruded through his clothing.

—One of Miles Ogles' partners has turned over plates used in counterfeiting to Government officers near Madison.

—Wm. Shuman laid his neck across a rail on the Big Four near Muncie to be decapitated. A freight train did him up brown.

—The Indiana yearly meeting of Friends petitioned the World's Fair Commission to close the fair on Sundays.

—The Terre Haute City Council has rescinded the charter of the local Water Works Company, owned by Chicago capitalists.

—A son of Barney Orndorff, aged 8 years, fell under a wagon near Oaktown and was literally scalped by the wheel.

—A satchel full of woman's clothes was found near Terre Haute. A handkerchief in the lot bore the name, Louisa Townley.

—The agent of the Virginia Life Insurance Company, at Terre Haute, has been charged with embezzlement and arrested.

—Mrs. George Deppert fell down stairs at her home near Seymour and was stricken entirely blind. She is nearly 60 years of age.

—The citizens of Brown County seem to have an extra lease on life. There are several in the county who are bordering on 100 years of age.

—Nat Mowney, a saloonist of Edinburg, wanted to thrash Preacher Small because the latter "talked against his business" in the pulpit.

—James Christie, Cass County, who feigned death by drowning in a lake and disappeared some time ago, is alleged to escape creditors, has returned.

—Mrs. Love attempted to ride a balloon into upwarpness at the Bedford fair. She was dragged through a scraggy tree top and badly disfigured.

—Frank Brokaw, of Terre Haute, disappeared ten years ago and had not been heard of until recently he was found working as an engineer in Texas.

—John Childress filled up with social disturbance and bunked on the railroad track near Mitchell. A fast train lifted him off. He leaves a wife and children.

—James Boswell of Stillsville, sentenced two years ago for eight years for robbery, has been pardoned, he having turned State's evidence, thus implicating others.

—George Cole, of Brazil, died and left his property to his widow. Since then another widow has turned up in England and the courts will decide which is the rightful heir.

—The mail car on the E. S. & R. Railroad was broken open near Seymour and gutted of every stamp, cancelling stamp and every implement in connection therewith.

—John Welch, a convict sent up from Indianapolis for four years for burglary and grand larceny, hanged himself in the dungeon in the Northern prison by his suspenders.

—Six people at