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Mr. J. R. MacColl,
Lorraine Mfg. Co.,
Pawtucket, R. I.

My dear Mr. MacColl:

I hope you will forgive my tardiness in acknowledging your generous and full reply to my letter of questions. It reached me when I was very much absorbed in a piece of pressing work; indeed, it is only today that I have counted myself free again and am taking up neglected matters, and the first of these is your letter.

I see the point of your answer to my first question. However, it seems to me that you selected the extreme that is favorable to your contention and ignored all the remainder. Of course 6 cts. is 40% of 15 cts. It is also 48% of 12½ cts. which is an increase of 20%. Was not this the fallacy underlying the persistent denials by Senator Aldrich during the Senate debates that an increase had been made? Was not this the fallacy by which President Taft was deceived?

Again, I can't help feeling that your step ladder specifics are a very objectionable form of ad valorem tariff. They certainly increase the temptations for undervaluation, and offer no safeguards against it. I feel as if the duties on all higher goods had been seriously complicated by them, and certainly simplicity and not complication is what ought to be sought in all schedules.

You refer to a certain paragraph in Senator Lodge's speech of June 1st. Senator Lodge was talking about what the goods, finished and unfinished, could have been bought for on a certain date, May 16th, 1906. We all know that might not represent the relation between the cost of production, because of the different conditions in different mills and numberless other possible variations. But for the sake of further argument I will assume that Senator Lodge's figures represent the difference in costs of fabrics intended and not intended for mercerization. You say that 1 cent covers not only the difference in the cost of mercerizing, but also the increase in the cost of the construction for mercerization. Now here are the difficulties I find in accepting the explanation you and Senator Lodge make. First, the mercerizing construction (if I may use that term) involves an increased cost abroad as well as here, so that Senator Lodge's $2\frac{7}{8}$ cents (the difference between the mercerizing and the non-mercerizing structures) has no bearing on the case. Second, any increase in the cost of construction is covered by the step-ladder specifics. You say "there is a fixed duty based on count, weight, and condition, which has not in any case been increased." I accept your statement, but these fixed duties increase with the value of the goods, and consequently not only the increase due to the mercerizing structure, but also the mercerizing process itself, serve to place the goods in higher classifications and subject them to higher duties. If such automatic increases are sufficient for protection (Mr. Lippitt admitted they were) then the 1 cent duty added on mercerized goods is unnecessary for protection and its only effect is to contribute to exclusion. That is the way your and Senator Lodge's argument strikes me. You say further on that these

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specific protective duties would not be increased to cover mercerized goods. But why not? Is the difference in the foreign and domestic costs for mercerizing structures and for mercerizing greater than for other processes of cotton manufacturing? It seems to me you are prevented from claiming that that is the case because of the admission which you make: "I don't know what the cost of mercerizing is abroad." And unless you do know that, your entire contention regarding the duty on mercerized goods falls to the ground.

As you no doubt know, the claim that the Arkwright Club refused to inform even its members regarding its receipts and disbursements is made by Walter H. Langshaw, of New Bedford. Now, Mr. MacCell, you, I assume, are a member of the Arkwright Club, and represented that Club during the tariff revision at Washington last year. Don't you think under these circumstances you owe it not only to the Club, but to yourself, to refute the charge from so prominent a manufacturer as Mr. Langshaw? You must realize how difficult your failure to refute the charge will make it for me and the millions of people who are studying the tariff question to believe the Club's disbursements were entirely legitimate. I do not question your statement that "the Club's officials are men of the highest standing," but if the Club is innocent of exerting improper influence in tariff legislation by means of money, why is Mr. Langshaw's charge allowed to go unrefuted?

Can you tell me what part of the American cotton manufacturing industry is represented by the National Association of Cotton Manufacturers? And how is that representation calculated? Do you include every mill having even one of its officials, no matter how inferior, in the Association?

You speak of the attendance at the meetings of the National Association of Cotton Manufacturers. I enclose a list of those reported present at the last two fall meetings. Will you, so far as you can conveniently, check the names of those members who are cotton manufacturers and give their official positions and the names of the mills, so I can calculate the spindles or looms they represent? I fear you may think I am asking a great deal, but this is a most serious question. You took a responsible part in the tariff revision of last year. You talked to me, when I had the satisfaction of seeing you in Pawtucket a few weeks ago, in a frank and fair way. On the other hand, I am in a responsible position. I certainly regard my task of attempting to set forth the workings of our present tariff system as a very serious matter. I do not want to mislead my readers. I do not want to be unfair to anybody concerned. To avoid this, and to get each phase of the question as clear and as right as I have ability to do, I feel that I must ask for every scrap of information which you can give me.

Again you say that the consumer has not suffered by the changes in the Cotton Schedule, other than possibly on some imported goods which may be classed as luxuries. Has not the general condition of the cotton business had something to do with the fact that the new duties have not had much effect as yet? We all know that consumption, after all, will only stand about so much of an advance in a given period. Do you not think it probable that when the business comes into prosperous times that we shall see all the advance that

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these duties permit? And again, should we call these finer grades of cotton clothes, mercerized fabrics, etc. luxuries? Is it not true that mercerized goods are to be a kind of poor man's silk? I have looked on them that way and rather rejoiced in them as such.

You speak of there being no such thing as a Cotton Trust. Of course I agree with you in that, but the more I know of the industry, the more strongly I feel that there is a tendency toward combination. For instance, is it not true that soon after the Payne tariff bill became a law, the Arkwright Club made an attempt to arrange with the European cotton manufacturers for the restriction of the consumption of cotton in order to lower the price of cotton? The Journal of Commerce published some correspondence between the Arkwright Club and some cotton association in Manchester, England, which seemed to indicate that such an attempt was made.

I hope, my dear Mr. MacCall, I am not wearying you with my persistency, nor that you will consider me incapable of changing my mind if I still disagree with you on several points in the article which we shall publish soon on the Cotton Schedule.

Believe me,

Very sincerely yours,

Ida M. Tarbell