CARDED WOOLEN MANUFACTURERS ASSOCIATION
146 Summer Street

Boston, Mass. June 26, 1928.

Mr. Arthur O. Roberts, President,
New Hampshire Woolen and Worsted Mfrs. Association,
c/o Amoskeag Manufacturing Company,
Manchester, N. H.

My dear Sir:

We find in the Daily News Record of to-day under a Manchester date line, a notice that you have been elected president of the New Hampshire Woolen and Worsted Manufacturers' Association, and in which the following statement appears:

> "The association is deeply concerned over the increase in the importation of woolens and voted to communicate with the New Hampshire delegation in Congress on the subject. Argumentative material will be forwarded to the senators and congressmen if an attempt is made to revise the tariff in the next congress. The association declared that changes should be made in the tax laws of this State to relieve the woolen and worsted industry from a burden it is now forced to carry."

Assuming that the news dispatch states correctly the views of your Association, and that you consider the increases of local taxation and of the importation of wool goods to be the principal burdens on wool manufacturing at the present time, we write to call your attention to statistics of the Department of Commerce, which indicate that your deep concern over importations is unfounded; that the burden of local taxation, serious as it undoubtedly is in New England, is but a trifle compared with the tariff-tax on the raw material of the woolen and worsted industry, which your Association has thus far neglected.

According to the statistics issued by the Department of Commerce, of which Mr. Hoover has been Secretary since 1921, the production of woolen and worsted fabrics for the last year for which complete figures are available was valued at $1,065,434,000.

The importations of woolen and worsted fabrics, as reported by the Department of Commerce, for the past four years have been as follows:

1924	$20,653,627
1925	21,754,373
1926	20,919,598
1927	22,264,296

The variations in the importation have been no more than ordinarily occur, and the largest annual importation for any one of the four years amounted to only 2 per cent of the annual capacity of the industry. This is approximately the same as under the McKinley,

Digital Image, 2009. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library

Dingley and Payne-Aldrich tariffs.

Now as to local taxation. We have no figures from New Hampshire, but have recently investigated the point in connection with the threat of the managers of a Massachusetts mill making wool goods to move from the town if the tax on the real estate, which had been increased from $14,000 in 1920 to $29,750 in 1927, was not reduced. We understand that the tax was reduced 25 per cent and that the manufacturers decided not to move.

The following table gives the figures for this mill manufacturing wool goods from seven different grades of wool on which the Fordney duties are 25,30,40,50,60,75 and 100 per cent ad valorem respectively:

	Costs of the Product			
Ad Val. 31-ct. duty	Wool	Labor	Expense	Total
25%	$1,620,000	$567,000	$513,000	$2,700,000
30	1,684,800	567,000	513,000	2,764,800
40	1,814,400	567,000	513,000	2,894,400
50	1,944,000	567,000	513,000	3,024,000
60	2,073,600	567,000	513,000	3,153,600
75	2,268,000	567,000	513,000	3,348,000
100	2,592,000	567,000	513,000	3,672,000

Ad Val. 31-ct. duty	Tax on Real Estate	Tariff-tax on Wool	Excess Tariff-Tax above 30 per cent
25%	$29,750 (1.1%)	$324,000 (12%)	
30	29,750 (1.08%)	388,800 (14.4%)	
40	29,750 (1.03%)	508,400 (17.9%)	$129,600 (4.46%)
50	29,750 (.98%)	648,000 (21.4%)	259,200 (8.57%)
60	29,750 (.94%)	777,600 (24.6%)	388,800 (12.33%)
75	29,750 (.89%)	972,000 (29%)	583,200 (17.42%)
100	29,750 (.8 %)	1,296,000 (35.3%)	907,200 (24.71%)

Assuming that the 30 per cent duty on wool is needed to protect the American wool-growing industry, the tax on the real estate (from .81 to 1.1 per cent of the cost of the goods) is seen to be insignificant when compared with the excess of the Fordney tariff-tax (from 4.46 to 24.71 per cent of the cost of the goods) above a 30 per cent protective duty on wool. The reduction of 25 per cent in the tax on the Massachusetts mill (from 1/5 to 1/4 of one per cent of the cost of the goods) which prevented the mill from being moved away, is comparatively negligible.

If the news dispatch is correct, your association is on the wrong track so far as taxation, importations and the tariff are concerned. The publicity given to your views is calculated to do a great deal of harm just at this time, by misleading the public into thinking that all that the wool manufacturing industry needs is a reduction of local taxation and an increase of the duty on wool goods. The question [illegible] ing on the woolen and worsted industry is the [illegible] 31-cents per pound on wool regardless of its value.

Yours very truly,

[illegible] WOOLEN MANUFACTURERS ASSOCIATION

[illegible] Director.

Digital Image, 2009. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library