

**SHODDY VS. PURE WOOL;
HEARING, 57TH
CONGRESS, 1ST SESSION,
DOCUMENT NO. 413**

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VARIOUS

**SHODDY VS. PURE WOOL;
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SHODDY vs. PURE WOOL.

U. S. Congress, House

HEARINGS BEFORE THE COMMITTEE ON WAYS AND
MEANS, HOUSE OF REPRESENTATIVES,
FIFTY-SEVENTH CONGRESS,
FIRST SESSION.

15
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SHODDY VS. PURE WOOL.

COMMITTEE ON WAYS AND MEANS.

Wednesday, May 21, 1902.

The committee met at 10 o'clock a. m., Hon. Sereno E. Payne in the chair.

(For bill under consideration see p. 25.)

STATEMENT OF HON. WILLIAM M. SPRINGER,

Representing the National Live Stock Association of the United States.

Mr. SPRINGER. Mr. Chairman and gentlemen of the committee: I appear before you as the representative of the National Live Stock Association of the United States. This association embraces practically all the live-stock interests, including woolgrowers. The only live-stock interests not represented are those engaged in raising stock for dairy purposes exclusively. In other words, this association represents the meat-producing live stock of the country.

The association has only had four years of existence. It is not a corporation, it is simply a voluntary association for the promotion of the best interests of live stock growers in the United States. There is no capital stock, and there is no effort on the part of the association to control the production or prices of live stock. Every member of the association can dispose of his property in his own way, at his own time, and at his own prices. The membership of this association extends to every State and Territory in the Union; and the property owned by the individual members and associations would aggregate perhaps as much as \$4,000,000,000.

WOOLGROWERS PRINCIPAL ADVOCATES OF THIS BILL.

The advocates of this bill are principally engaged in woolgrowing; but all other agricultural interests are favorable to it, so far as I have been able to ascertain, upon the ground that it will benefit the consumers.

VARIOUS LIVE-STOCK AND WOOLGROWERS' ASSOCIATIONS FAVORING THE MEASURE BY RESOLUTIONS.

I have before me a number of memorials and petitions upon this subject, to which I desire to call your attention in the first place. I have the memorial, first, of the National Live Stock Association, which was adopted at Salt Lake City, Utah, January 15, 1901. At this

meeting a committee was appointed to draft a bill upon this subject and submit it to the next association, which met in Chicago in December last. The resolution of this association at that time is embodied in these words:

Resolved by the National Live Stock Association in convention assembled at Salt Lake City, Utah, That we conceive it to be our duty to call the attention of our Representatives in Congress to these facts, and to ask them to provide and enact such legislation as will prevent deceit and fraud in marketing the manufactured article as wholly of wool when, in fact, the same is made largely from cotton and shoddy, by compelling the manufacturers, under Federal supervision, to label their finished product as wholly wool or part cotton or part shoddy, as the case may be, and to provide suitable penalties for violations of the provisions of such an act.

I will ask the stenographer simply to make a note of these facts without embodying the petition in the record.

I also have the resolutions adopted by the Texas Live Stock Association at its annual convention held at El Paso, Tex., January 15, 1902, in favor of the pending bill.

I also have the resolutions of the Oklahoma Live Stock Association, representing the cattle industry of Oklahoma, southern Kansas, and a portion of Texas, passed at its annual meeting held in Wichita, Kans., February 11, 1902, in favor of the bill.

I also have the resolutions which were unanimously adopted by the Pacific Northwest Wool Growers' Association, representing the sheep and woolgrowing industry of Oregon, Washington, Idaho, Montana, Wyoming, and Utah, in convention at Helena, Mont., February 6, 1902, in favor of this bill.

Also similar resolutions adopted by the Nebraska Stock Growers' Association at its convention at Alliance, Nebr., February 18, 1902.

I also have resolutions adopted unanimously at a meeting of the Ohio Wool Growers' Association held at Columbus, Ohio, January 11, 1902, favoring this bill.

Also similar resolutions adopted by the Northwest Wool Growers' Association at Helena, Mont., at a meeting held subsequent to the other—a year later.

Also resolutions adopted by the Eastern Montana Wool Growers' Association, at Miles City, Mont., April 14, 1902.

Also resolutions adopted by the Eastern Montana Wool Growers' Association April 15, 1901, to the same effect.

Also resolutions adopted by the Utah Cattle Growers' Association, representing the cattle interests of the State of Utah, in convention assembled April 14, 1902, at Salt Lake City.

Also resolutions adopted by the Idaho Wool Growers' Association in convention at Boise City, Idaho, November, 11, 1901.

Also resolutions adopted by the Utah Wool Growers' Association at Salt Lake City April 5, 1902.

Also resolutions adopted by the Western South Dakota Wool Growers' Association of 700 members, representing an invested capital of \$10,000,000, in convention assembled at Rapid City, S. Dak., April 8, 1902.

Also resolutions adopted by the Panhandle Stockmen's Association, representing the cattle industry of the panhandle of Texas, in convention assembled at Quanah, Tex., March 25 and 28, 1902.

Also resolutions adopted by the Cattle and Horse Growers' Association of Colorado, representing the cattle and horse industry of the State, in convention assembled at Denver, March 3 and 4, 1902.

RELATION OF CATTLE AND HORSE DEALERS TO THIS MEASURE.

Mr. HOPKINS. How are the cattle and horse dealers interested in wool?

Mr. SPRINGER. As consumers, the same as you and I. It is a sort of "sympathetic strike" with their fellows in the same association who are engaged in raising wool.

I have called attention to these resolutions for the purpose of showing the unanimity which prevails among all the live-stock interests of the United States upon this subject and in favor of this bill.

PACKERS' INTEREST IN THE BILL.

Mr. RUSSELL. Are the packers interested in this bill generally?

Mr. SPRINGER. I do not know; perhaps, as consumers only. I am not familiar with that branch of the subject and do not represent them.

EXPLANATION OF PROVISIONS OF THE BILL.

I desire now to call your attention briefly to the bill (H. R. 14488) which Mr. Grosvenor introduced May 16 (see p. 25), and is intended by him to take the place of the bill previously introduced, known as H. R. 6565.

This bill differs from the one previously introduced in that it contains provisions imposing a tax upon manufacturers and wholesale dealers in mixed goods, and also a tax upon the product itself. The first and second sections are the same as in the original bill, the other bill. The third section is:

That manufacturers of mixed goods shall pay fifty dollars per year; that every person who engages in the production of mixed goods as defined in this act as a business shall be considered a manufacturer thereof. That wholesale dealers in mixed goods as defined in this act shall pay a tax of twenty-five dollars a year.

Then there is a definition of what constitutes a wholesale dealer. Then it is provided:

That upon mixed goods as defined in this act, when manufactured or sold or removed for consumption or use, there shall be assessed and collected a tax of one-tenth of one cent a pound, to be paid by the manufacturer thereof; and any fractional part of a pound shall be taxed as a pound.

Then follow the provisions in regard to stamping:

Section 4 imposes penalties upon the manufacturer of mixed goods for violation of the provisions of the act, and requires him to perform certain duties in regard to reporting his product.

Section 5 imposes penalties upon violations of the internal-revenue law on this subject.

I desire to call your attention to the fact that in section 4 have been incorporated substantially the same provisions from the internal-revenue laws that are found in the oleomargarine act, which recently passed Congress, in regard to the production of process butter.

Mr. HOPKINS. Mr. Springer, why would you make a man who sold mixed goods pay for a license?

Mr. SPRINGER. The manufacturer and wholesale dealer are required to pay.

Mr. RUSSELL. Not the retailer?

Mr. SPRINGER. Not the retailer; the same as with process butter in the oleomargarine bill.

Mr. HOPKINS. I know it is evidently modeled after that; but there was a reason, from the dairyman's standpoint, why that should be done. Does that reason exist in this instance?

Mr. SPRINGER. It does to this extent: The bill provides a method by which inspection can be made of the factories engaged in this business and in the manufacture of shoddy.

Mr. HOPKINS. But, Mr. Springer, can not any expert tell by the appearance or the feeling of a piece of goods whether it is mixed or whether it is genuine wool?

Mr. SPRINGER. I think not. I can not.

Mr. HOPKINS. It seems to me they can; at least, I have always understood that they can do that. So that the reason, as I say, that existed for requiring a license to be obtained on oleomargarine would not apply here, because both the eye and the touch will distinguish between the mixed and the pure article.

Mr. SPRINGER. I think I will demonstrate before I get through that many, many manufacturers of mixed goods are so perfect in their deception that it takes an expert and sometimes a chemical analysis to show the difference.

Mr. RUSSELL. Would not that make it pretty hard for a clothier, tailor, merchant, or other person who purchases from a manufacturer, importer, or other person any mixed goods not marked as mixed goods to determine that fact?

Mr. SPRINGER. The retail merchant is supposed to have some knowledge of the texture of his goods, especially when he buys from the manufacturer. He then goes to him for his first knowledge; and the manufacturer will start in with a correct label. To remove that label is made a criminal offense; and that label is supposed to remain with the cloth until it is manufactured into clothing.

Mr. HOPKINS. How about other persons? Do you not know that a large number of persons in these days buy cloth for suits directly at the mill?

Mr. SPRINGER. Yes; it should be labeled by the manufacturer.

Mr. HOPKINS. If it is not labeled the person who buys it is guilty of a misdemeanor.

Mr. SPRINGER. I think not, if it is bought for consumption. He is not a tailor.

Mr. RUSSELL. No, no.

Mr. SPRINGER. Nor is he a dealer, but the man who sells it to him would be liable.

Mr. HOPKINS. Then section 10 provides:

That any clothier, merchant, or other person who knowingly purchases from the manufacturer, importer, or other person any mixed goods as defined in this act which are not labeled or marked according to the provisions of this act shall be guilty of a misdemeanor.

Mr. SPRINGER. If they are not marked he should not purchase them. In fact, the purchaser should insist upon the manufacturer marking or labeling the goods before he buys them.

Mr. DALZELL. He is bound to know what kind of cloth he is buying.

Mr. HOPKINS. Yes; this bill makes every person an expert as to the character of the cloth he buys.

Mr. SPRINGER. If anybody under the sun knows what is in the goods it should be the manufacturer. The law starts with him and requires him to properly label the goods under severe penalties.

Mr. DALZELL. The man who buys is bound to know under this bill.

Mr. RUSSELL. You have always contended that manufacturers were not fully to be relied upon, you know.

Mr. SPRINGER. Oh, I always had the greatest respect for the manufacturers all over the country.

The other provisions of this bill simply relate to the dealers in the articles.

SUGGESTED AMENDMENTS TO SECTIONS 1 AND 2 OF THE BILL, BY
MR. SPRINGER.

I desire to suggest here that the first and second sections of this bill should be amended.

It has been stated by some manufacturing papers or persons interested in manufacture that some qualities of shoddy or mixtures or adulterants are more valuable than the wool itself which is contained in the fabric. That is true in some respects, as I will show you in a moment.

AMENDMENT TO SECTION 1 (see bill on p. 25).

Therefore, in order to bring those goods out of this category I desire to add at the end of the first section the words, "Or of goods or fabrics composed in part of such wool and of other ingredients of equal or superior value," so that the latter part of it will read:

And the words "woolen goods" shall be held to mean goods or fabrics composed wholly of such wool or of goods or fabrics composed in part of such wool and of other ingredients of equal or superior value.

AMENDMENT TO SECTION 2 (see bill on p. 25).

In the second section the words "or of such wool and other ingredients of equal or superior value" should also be added so as to make the section read:

That for the purposes of this act all manufactures made in imitation of woolen goods which are not composed wholly of pure wool, or of such wool and other ingredients of equal or superior value, shall be known as mixed goods.

Mr. RUSSELL. You do not anticipate that that will make a good deal of difficulty, do you?

Mr. SPRINGER. I do not think that will make much difficulty.

EXHIBITS SPECIMENS OF WOOLEN AND MIXED GOODS.

(Origin of samples, see p. 10).

I want to call the attention of the committee to a few specimens of woolen goods that have been sent to me. One of these is pure woolen fabric, and is marked at the price of \$2.50 per yard. That fabric is all wool.

Mr. RUSSELL. How do you know, Mr. Springer?

Mr. SPRINGER. It is so marked; that is all I know. I could not tell it myself.

Mr. RUSSELL. If it was marked "mixed" you would assume that it was mixed, would you not?

Mr. SPRINGER. I would, because I think you gentlemen, when you look at it, will find that you could not tell the difference either. This next one is marked "silk mixed," and is valued at \$2.75 a yard, 25 cents a yard more than the other. I think when you have examined this sample that you will find it looks the same as the other, and that none of you gentlemen could tell that there was any silk in it.