

THE AMERICAN KNIT GOODS CASE.

This is probably the greatest and most important case of dispute as to the lawful amount of duty to be collected on an article imported, that has ever come before the courts in either England or America. In a suit brought by an importer against the United States, the Supreme Court recently decided that the strict letter of the law authorized the collection of 35 per cent. only on knitted goods, instead of from 20 to 50 cents per pound, and 35 per cent., as has been collected for many years back. The amount at stake is estimated at eleven million dollars, of which a New York lawyer, if the money be recovered from the Government, will claim as his share one-half. That would be, if paid, certainly the biggest lawyer's fee on record. It would be thoroughly in accordance, also, with those ideas of magnitude which prevail among our neighbors. They claim to have the biggest cataract in the world (they are apt to forget that it is half Canadian, after all), the greatest lakes (also half Canadian), the vastest corn-growing prairies, the biggest millionaire railway kings, the biggest hotels, the most gigantic bank defaulters, and the most expert swindlers known. Why not, also, the greatest custom-house case that ever came before any court?

The history of this case is about as follows. Ever since some time during the war, there has been collected and paid on knitted woollen goods imported, a duty of 20 to 50 cents per pound and thirty-five per cent. *ad valorem*. For many years the tariff, as by law established, was made up of various statutes, passed at different times, but all framed with the same design of high Protection. In 1874, however, all the tariff statutes were revised and consolidated into one, which, with only a few trifling changes since made, is still the law of the land. Now, it was in this revision business of 1874 that the present difficulty had its origin, and this is the way the thing came about.

The American tariff schedules are lettered from A to M inclusive, after which comes the free list. Schedule L relates to "Wool and Woollen Goods" exclusively; while schedule M, the last of all, is headed "Sundries," and is supposed to include all articles intended to be enumerated, but not embraced in the schedules preceding. With this explanation, even those of our readers who have not much acquaintance with American tariff matters will be able to understand readily enough the following explanation of the trouble, which we copy just as it appears in the *Philadelphia Textile Record* for June, 1882:

"THE KNIT GOODS CASE.—The extraordinary mismanagement of this case on the part of those who have insisted on taking it into their own hands in effect concedes that 'Schedule M, Sundries,' relates as much to wool and woollens as does 'Schedule L, wool and woollens.' The exact opposite is the truth. No clause or provision of Schedule M relates to any thing, article or fabric composed wholly or in part of wool, and this for the reason that Schedule L, which is the act of March 2d, 1867, verbatim, does now, and did from its enactment, conclusively and absolutely provide for 'all manufactures of every description, composed wholly or in part of wool,' &c. Bear in mind that this law stood unchallenged from March 2d, 1867, to March, 1881; and that not the slightest change in its phraseology was made in incorporating it into the Revised Statutes.

[From Schedule L.]

'Woollen cloths, woollen shawls, and all manufactures of wool of every description, made wholly or in part of wool, not herein otherwise provided for: fifty cents per pound, and, in addition thereto, thirty-five per centum *ad valorem*.'

'Flannels, blankets, hats of wool, knit goods, balmorals, woollen and worsted yarns, and all manufactures of every description composed wholly or in part of worsted, the hair of the alpaca, goat, or other like animals, except such as are composed in part of wool, not otherwise provided for, valued at not exceeding forty cents per pound: twenty cents per pound: valued at above forty cents per pound and not exceeding sixty cents per pound: thirty cents per pound; valued at above sixty cents per pound and not exceeding eighty cents per pound: forty cents per pound; valued at above eighty cents per pound: fifty cents per pound: and in addition thereto, upon all the above-named articles: thirty-five per centum *ad valorem*.'

'Endless belts or felts for paper or printing machines: twenty cents per pound and thirty-five per centum *ad valorem*.'

'Bunting: twenty cents per square yard, and, in addition thereto, thirty-five per centum *ad valorem*.'

'Women's and children's dress-goods and real or imitation Italian cloths, composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, valued at not exceeding twenty cents per square yard: six cents per square yard, and, in addition thereto, thirty-five per centum *ad valorem*: valued at above twenty cents the square yard: eight cents per square yard, and, in addition thereto, forty per centum *ad valorem*. But on all goods weighing four ounces and over per square yard, the duty shall be fifty cents per pound, and, in addition thereto, thirty-five per centum *ad valorem*.'

'Clothing ready made, and wearing apparel of every description, and balmoral skirts and skirting, and goods of similar description, or used for like purposes, composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, made up or manufactured wholly or in part by the tailor, seamstress, or manufacturer, except knit goods: fifty cents per pound, and, in addition thereto, forty per centum *ad valorem*.'

"But now a collusive brief has been prepared by persons directly interested in the plunder obtained by refund of the duties, and which falsely cites the following clauses of 'Schedule M, sundries,' as having equal force with the real law. It is unfortunately not a matter of astonishment that such schemes should be laid, and that false statements of the law should be made to cover them, but that the manufacturers who have so much at stake should be misled into consenting to such false construction, is inexplicable. It is intended by the managers to make that consent the basis of a general change in the duty on woollen goods, although half-a-dozen positive provisions of law are set aside in so doing."

'Clothing, ready-made, and wearing apparel of every description, of whatever material composed, except wool, silk, and linen, made up or manufactured wholly or in part by the tailor, seamstress, or manufacturer, not otherwise provided for, caps, gloves, leggings, mitts, socks, stockings, wove shirt and drawers, and all similar articles made on frames, of whatever material composed, except silk and linen, worn by men, women, or children, and not otherwise provided for, articles worn by men, women, or children, of whatever material composed, except silk and linen, made up, or made wholly or in part by hand, not otherwise provided for: thirty-five per centum *ad valorem*.'

(Concluded on page 271.)