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BRIEF OF
HONORABLE TULIO LARRINAGA

Resident Commissioner
from Porto Rico

TO THE

United States of America

BEFORE THE

Committee on Ways and Means



WASHINGTON, D. C.
NOVEMBER 19, 1908.

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RESIDENT COMMISSIONER
FROM PORTO RICO

TO THE

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BEFORE THE

COMMITTEE ON WAYS AND MEANS

MR. CHAIRMAN:

Your Committee knows very well that at the first session of the Fifty-ninth Congress I introduced a bill to put a duty of 5 cents on every pound of foreign coffee imported into the United States. I did it because it was the desire of all my constituents. They felt that if everything that they used in Porto Rico was taxed for protection, that they had a right to have their main staple protected also. I am going to read only half a dozen small pages to the Committee, if it will be kind enough to hear me briefly, in which I think I have condensed the main arguments. I have tried to be as brief as possible:

PORTO RICO COFFEE AND THE RIGHTS
OF PORTO RICO PLANTERS TO DE-
MAND SOME TARIFF PROTECTION
FROM THE CONGRESS OF THE
UNITED STATES.

*Coffee
the poor
man's
crop.
Easily
raised by
him.*

Coffee has been, for many years, the main production of Porto Rico and its greatest source of wealth and prosperity.

Coffee in Porto Rico is the poor man's crop. Any poor man that has one acre of land can plant coffee in it and get ready cash for his crop as soon as the berry can be picked from the tree by selling it to his nearest neighbor, who has a small plant to prepare it for market; or can himself dry it, in the berry, and sell it in that state in the market.

Such is not the case with sugar or even tobacco; which require large capital, yield only one crop, and then disappear; while the poor man's acre of coffee when once bearing fruit is a permanent source of income to him. The manner in which the poor man plants his acre of coffee makes it very easy for him to wait from 5 to 7 years for a full bearing of the trees. He plants bananas in the same land prepared for coffee. The bananas (plantains) grow very rapidly (in a few months) and shade the coffee trees when they are young, and at the same time furnish food for him and his family, while the shade trees and the coffee trees have time to grow.

Under the protective tariff sugar and tobacco production have been largely increased.

The coffee crop in Porto Rico previous to 1898 had reached 60,000,000 pounds with a value of

\$16,000,000. Today it has been reduced to 35,000,000 pounds with a value of only four and a half million.

The causes of this reduction are various.

It is claimed that the great cyclone of 1889 was the main cause of the ruin of coffee, but this is not altogether true. The cyclone ruined some of the plantations entirely but in a great many of them the damages were not beyond repair if capital had been available. In general it may be said that with the necessary money all damage could have been repaired and a full crop restored in three years. Had coffee not lost its market and its price fallen from 30 to 7 cents per pound, the bankers, the merchants, and money-lenders of all kinds would have furnished the coffee planters with the money necessary to rebuild their plants and stores blown down by the cyclone, and also to repair the damage done to the trees. This has been proven by experience in previous cases. In spite of all the drawbacks with which the coffee planters had to contend, it has been holding its own for nine years, in the hope that Congress would some day come to its assistance and protect it in the same way that it protects everything produced under the American flag.

Coffee in Porto Rico is produced in the mountains. The higher the ground the better the production. Sugar and tobacco cannot be produced in the mountains where coffee is grown. Oranges and all citrus fruit will grow very well, but it will be a material impossibility to pick and transport oranges from such broken and precipitous ground at anything like a marketable price, and even then

*Cyclone
1889 not
main
cause
ruin of
Coffee.*

*Coffee
lost its
market.*

*Coffee
culture
and
industry
should not
disappear.
It cannot
be re-
placed by
any other
product.*

it would require a large sum of money to chop down and remove the shade and coffee trees and plant orange trees, which would take from 7 to 8 years to bear a full crop. Even if this could be accomplished; if it were possible to economically cultivate oranges in the mountains (which we deny) it would be unwise to eliminate a staple product whose market, like the Havana tobacco, depend upon special climatic and local conditions and the nature of the soil, and substitute for it another crop, like oranges, that is produced in almost every part of the tropics and the temperate zone. Much more absurd would it be to undertake such a change today when we have come to form a part of the greatest coffee-consuming nation of the world; for, except the Dutch, the American people use the largest amount of coffee per capita ($11\frac{3}{4}$ lbs.) per year and a total of more than one billion pounds every year.

Consumption of Coffee in U. S.

Porto Rico coffee is sold today to the coffee-drinking nations of the world: France, Italy, Spain, Austria-Hungary and Cuba.

Coffee used in Europe, price, duty, etc.

Porto Rican coffee brings the highest price in those nations but the money remains there. While coffee sells in New York for \$10.00 a quintal, or 10 cents a pound, it sells for 28 cents, or 30 cents, in Europe, and sometimes for 35 cents, so that in spite of the higher freights; in spite of the $12\frac{1}{2}$ cents duty per pound that our coffee pays there, as a minimum, it is more profitable to send it to those countries than to send it to New York in American bottoms and free of duty. And this happens in a country where the total coffee (often sold for 25 cents and upwards per pound under the assumed

Mocha and Java sold in the U. S.

names of Mocha and Java) is ten times greater than the whole production of the Island of Porto Rico. And this also under a government fully committed to protection.

The coffee planter has always been in the hope of obtaining some protection from Congress, and in years past he has been producing coffee at a loss. But it is the working class; the field laborer that has suffered the most and who is still suffering severely. The laborer in the coffee plantations only gets 30 cents a day and there have been many instances, in some of the most afflicted districts, when they were not allowed to work all day but only got 15 cents for a half day. These are real facts, that can be easily proven. Many of the small farmers who had a little farm of their own which enabled them to live in comfort, supporting their families, are today mere peons (field laborers) getting a salary of 30 cents a day. Up to two years ago the number of small farms sold by the Insular Government to pay a few dollars taxes, were about eight hundred, and that number has been increasing.

Our contention is that a duty of no less than 5 cents per pound (Europe puts 12½) should be put on all foreign coffee coming into the United States, and this for the following reasons:

First: Because, after all, the people of the United States are not having coffee free of duty at all. When in 1873 Congress placed coffee on the free list, Brazil, who furnished three-quarters of all the coffee used in the United States, placed an export duty on her bean. From that time to the present day American consumers have paid the Treasury of the three States of Brazil the sum of three hundred and eighty millions.

**Labor
in the
Coffee
Plantations.**

**Protective duty
to be put
on Coffee.**

Second: Because it is just and fair that Porto Rico which is today contributing her share to the prosperity of many of the products and of nearly all the manufactures in the United States, and is willing to shoulder her share of the high domestic prices, should also have her main staple protected.

***Discrimination
between
foreign
and
domestic
prices.***

One or two examples will suffice to prove the above assertion. When a Porto Rican planter in our large coffee plantation has to replace his boiler, or any part of his machinery, he can no longer buy it in England, Belgium, or France, as he did before. Today he orders it from the American manufacturer, to whom he has to pay a much higher price than our neighbors from Santa Cruz or any of the other foreign islands have to pay at the same factory. The American manufacturer has to lower his price to our neighboring islands, not under the American flag, in order to compete with the Europeans, or his customer will not buy of him. This is equally true of all other articles that we use.

The rural population of Porto Rico lives mainly on rice that we have for several years past been buying from the Louisiana and Texas planters. We buy of them over one million bags or pockets, as they are called. We have been paying to those planters every year about 2½ million dollars more than we would have to pay to Japan, British India, or Spain, if it were not for the protective tariff. With a protective tariff of 5 cents per pound on foreign coffee, Porto Rico planters will receive a benefit of about one and a half million dollars. Of course, this will eventually increase under the stimulus of protection but may never double; of course, we cannot tell.

The main arguments used against a protective tariff on coffee are:

First: That Congress should never tax the poor man's breakfast table. It is really astonishing to hear such weak arguments repeated even by intelligent people, and this is simply because they do not take the trouble to examine it for a single minute.

The poor man who, in the end is greatly benefitted by the protective tariff, has his breakfast table taxed by the duty he pays on the sugar he uses in his coffee, in his cake, in his pie, and he also has his breakfast taxed on the beef he eats and, in short, in everything he uses on his breakfast table. Why should his coffee not be taxed? What difference does it make to him whether you get his money through coffee, or sugar, his shoes or his shirt?

When Congress placed coffee on the free list it acted rightly and wisely. Congress could not foresee that other nations were to profit by that measure to tax the American people. Congress was framing a protective tariff and coffee was not produced in any part of the United States. But at the present time things have changed very materially and coffee is produced in all the outlying territories of the United States. In putting a tax on coffee Congress will not only get a revenue from its own people but part of it will be taken from Brazil. A tax of 5 cents per pound on coffee will only represent one tenth part of a cent for a cup of coffee for the poor man. The average consumption of coffee in the United States, we have said, is $11\frac{3}{4}$ pounds per capita per year, so that the working man is taxed only 58 cents for his coffee every

***Arguments
offered
against
tariff on
Coffee.***

***5 cents
per pound
only one-
tenth part
of a cent
per cup.***

**Revenue
to Treasury of
U. S.
50 to 60
millions
every
year.**

year, and he gets a salary of \$470, on an average. Five cents on every pound of coffee imported in the United States will represent a revenue of from 50 to 60 millions every year. If this money is wanted in the United States Treasury then Congress should not hesitate in putting on the duty. If, on the other hand, this revenue is not wanted today for the expenses of the Government, then Congress should take off some of the duties from raw material and protect the manufacturer and the people who use their products.

**Protective duty
on all
coffee
produced
in
American
territory**

The other argument always presented against a duty on coffee is, that it would not be fair to tax 80 million people to protect one million. This argument is still weaker than the other one. In the first place, Porto Rico is not asking simply for a bounty for herself, but for a protective duty for all coffee produced in the American territory; the Hawaiian Islands, Philippines, Porto Rico and any other part of the United States that may take to producing coffee. There is no such thing as one million against 80 million, but 8 million against 80 million to be benefitted by the measure. In the second place, the case with coffee is the same as with all other protected products. Are there any of the protected products or manufactured products produced in all parts of the United States? Does the whole of the United States produce rice, sugar, tobacco, chicory, or wheat? Are watches, shoes, etc., manufactured in every State of the Union? Are not steam fire engines protected by the tariff? And yet they are manufactured in only two or three places in the United States.

This is the case in every large country. One produces wheat, another produces corn, another raises sheep and produces wool, etc. This is the general case. So that the argument of the 80,000,-000 against the 8,000,000 does not hold good at all.

Without an effective protection coffee production is bound to disappear from Porto Rico within a few years. Where will our 300,000 people of the mountains go for a living during the long period of that process? Will they migrate again to Hawaii, to Yucatan-Mexico, and to Peru, as did many thousands during 1900 and 1901? Will the United States, who for years have been offering a piece of bread to the hungry and a home to the homeless of all nations, appear in turn as a country who has to send her children to foreign lands in search of that bread? Are those 300,000 peasants in the mountains, our peaceful, hard-working, law-abiding citizens, of pure Caucasian race, to be left to starve? Are they going to look back with regret to the good old days when they lived happily and in plenty with their families, never dreaming that a day was to come when they would have to leave behind them everything that is dear to them, or see their loved ones perish for the lack of all means of subsistence?

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