

THE PAYNE TARIFF BILL

History of the Measure and a Summary of Its Principal Provisions--The New Free List.

After one of the bitterest and one of the most momentous legislative days in the history of the national capital the new tariff measure, the Payne bill, has been completed.

The progress of the bill through the legislative mill of both houses was eventful enough to satisfy the most pronounced cravers for parliamentary warfare. The real battle opened when the bill (house report 1438) was received in the senate and referred to the committee on finance. April 10 Aldrich of Rhode Island, the leader of the senate as chairman of the finance committee, subsequently became chairman of the conference committee, which was appointed to adjust the differences arising between senate and house and between both houses of congress and the president.

Taft For Free Hides.

The report of the conference committee which determined what would be the provisions of the Payne bill in its final form was a victory for President Taft. He informed all of the conferees that hides must be placed on the free list, together with petroleum, crude and refined. They thereupon decided to cut the Dingley tariff on hides to 8 per cent. The president heard the news and sent word that he had meant what he had said about free hides. The figures were then lowered to 7 per cent. Now Chairman Seneca E. Payne of the ways and means committee decided to demonstrate that his original bill, providing for free hides should no longer be subjected to the emasculatory operations of the majority of the conferees. He announced that not even a 5 per cent duty on hides would be accepted by either himself or the house. "Without free hides this tariff bill will not pass the house," he was quoted as saying. The tariff came off hides instantly, and as quickly was oil put on the untaxed schedule, together with gasoline, benzine and naphtha. The leather, rough lumber, print paper, coal and iron and glove schedules ranked next in importance during the closing days of the controversy.

If hides came in free, the important New England boot and shoe manufacturing interests would consent to a reduction of the tariff on their products, otherwise they would continue to fight. The solving of the hides problem left it a simple matter to agree to lower duties on boots and shoes--the Dingley rate being 25 per cent. Saddlery and harness were cut to 40 per cent, as against the Dingley rate of 45 per cent. The president resorted to the unusual method of sending a written message to the conference committee demanding lower rates on lumber and gloves than the Payne bill provided, and he secured them.

Wool and Cotton.

The wool schedule underwent no change of consequence, but the entire cotton schedule was reconstructed and the phraseology greatly changed in the hope of preventing reductions through decisions by the courts such as have characterized the administration of the Dingley law during recent years. In many instances the duties were intended to be imposed by the Dingley law were cut by these decisions, the reductions in some instances being from 60 per cent to 8 per cent ad valorem.

Probably the most marked reductions are found in the metal schedule. Beginning with a decrease in the rate of iron ore from 40 to 15 cents per ton, there is a general reduction throughout that part of the bill, pig iron going down from \$4 to \$2.50 per ton and scrap iron from \$4 to \$1. The reduction on many of the items in this schedule amounts to about 50 per cent.

Rough lumber goes down from \$1.50 to \$1.25 per thousand feet, with a corresponding reduction in the differential on dressed lumber.

The president was subjected to severest pressure from both the upward and downward revisionists throughout. The upward revisionists told him that a reduction of duty on hides and leather manufactures would make the next congress Democratic, in which event they argued that Taft would not possibly be re-nominated for the presidency. The "downward" told him that Roosevelt would surely be the next Republican candidate for president if the campaign promises for a downward revision were not fulfilled.

The Corporation Tax.

The president had a highly difficult task also in preserving his scheme for a corporation tax intact in the Payne bill. This feature is clearly the most unpopular one in the entire measure, so far as members of the senate and house were concerned. Many of the members argued to the president that the tax as provided for was unconstitutional. Resolutions were introduced in the various state legislatures condemning the act and recommending its repeal, according to statements made by various congressmen in Washington.

The corporation tax of 1 per cent on the entire net income over and above \$5,000 received by corporations from all sources, exclusive of certain items, must be paid on or before June 30 each year. Persons authorized to make returns or statements to the government and who make returns or

What the People Will Pay Less and More For--President Taft's Fight For Downward Revision.

statements of a fraudulent nature are subject to a fine of \$1,000 and imprisonment for one year.

During the closing days of the tariff controversy, before the bill was voted on for final passage, over forty Republicans who had grievances of one sort or another against certain of the provisions of the bill stated that they would vote against it. They had it in their power to defeat the measure and force the president to call another special session in September or October. They had the party leaders plainly worried for a time, but the able peace-makers at the capital, including President Taft himself, succeeded in calming the ruffled waters at last.

HISTORY OF THE BILL.

The new tariff law will be known in history as the Payne bill, taking its name from the chairman of the house committee of ways and means, the Hon. Seneca E. Payne of New York, who also had a part in framing the McKinley and Dingley acts. Actually it should perhaps be called the Payne-Aldrich bill, as the chairman of the senate finance committee has had quite as much to do with dictating its final provisions as Mr. Payne. On this line of reasoning, however, there are those who insist that it should be called the Taft bill, as the hand of the president has been seen in all the moves that have shaped it from the days of the Republican national convention that nominated him and adopted a plank for tariff revision up until the hour of the final fight in conference committee, when the big man in the White House made his historic fight for free raw materials and for carrying out the promises of the party.

It is the first time there has been a change of the tariff laws in twelve years, the Dingley act having gone into effect in 1897. The inception of that law was strikingly like that of the present. In each case it was enacted by an extra session of congress, called as the first act of an incoming administration. More noteworthy still, each of these extra sessions was called to meet on March 15, the first one having been issued by William McKinley of Ohio, the last by William Howard Taft of Ohio.

The Tariff Plank.

The agitation within the Republican party for a revision of the Dingley act has gone on from the days of the "Iowa idea" until at last it culminated in the plank in the last Republican platform beginning:

"The Republican party declares unequivocally for a revision of the tariff by a special session of congress immediately following the inauguration of the next president."

In his campaign on that platform Mr. Taft construed this plank as meaning revision downward, a point that he insisted on in his speeches and finally clinched in his inaugural address when he said that conditions had so changed relative to the Dingley act that they "will permit the reduction of rates in certain schedules and will require the advancement of few, if any." That meant revision downward, which was recognized substantially by the house bill, but was changed to actual revision upward by the senate bill. It was at this point that the president quietly but firmly injected himself into the fight in the conference between the two houses, the house standing behind him and forcing the senate to yield. The Payne bill in its present form is the result.

First Tariff Bill.

The first tariff bill enacted in the United States was that of the First congress. The opening section of that bill stated that, in addition to securing money for the support of the government, the tariff was adopted for "the encouragement and protection of manufactures." From that time political parties of national scope have clashed on the issue of the tariff as to whether or not it should be more than "for revenue only."

The expenses of the war of 1812 necessitated a material increase in the tariff, but an adjustment occurred two years after the close of the war through an act prepared by Henry Clay.

In 1826 the tariff was jumped up a few pegs, and a year later it went higher, from 33 to 41 per cent.

When, in 1832, a bill establishing a protective tariff policy was passed, South Carolina refused to recognize the validity of the increased duties and threatened to secede. President Jackson had to dispatch a warship to South Carolina waters.

A horizontal reduction of the tariff took place in 1833. Twelve years later, under Polk's administration, a bill drafted by Robert J. Walker, secretary of the treasury, was adopted, standing mildly for the protective policy. This bill lasted until 1857, when a reduction to 20 per cent occurred on the average duties. Actually a free trade system, this low tariff proved adequate for all government needs until the outbreak of the civil war, when an increased income was necessitated.

The Morrill Bill.

The Morrill act of 1861 increased duties about one-third, and the tax was extended to include tea, coffee

and sugar. Internal revenue was collected, beginning in 1862 and two years later the duties were raised 50 per cent for a period of ninety days.

After a succession of tariff measures to the war's close a cessation of this form of legislative activity occurred. But in 1870 and 1872 reductions were made down the list, some of which were restored in 1874, making the average duty 28 per cent. A tariff commission was appointed in 1882 which prepared a bill that was put on the statute books, lasting six years. It was at this time that James G. Blaine took a most active part in tariff discussions. It was in the early eighties that William R. Morrison of Illinois, Democratic chairman of ways and means, prepared his well known horizontal reduction of 20 per cent on all taxed products, which was defeated.

The Wilson Bill.

But the revision which followed resulted in the re-election of Cleveland in 1892, with a Democratic congress. Then resulted the Wilson bill, providing for wholesale reductions, particularly as regarding iron and steel manufactures. It should be noted that the Dingley bill in 1897 retained practically the iron and steel duties laid down in the Wilson measure.

Though William McKinley was elected on the financial issue in 1896, his first act after being sworn in as president was the calling of an extra session of congress to repeal the Wilson-Gorman tariff bill. The result of that session was the Dingley law, named for its author, Nelson Dingley, Jr., of Maine, which put the schedules practically back on the McKinley basis.

Following is a comparison between the old Dingley tariff rates and those of the new Payne bill:

LUXURIES.

	Dingley Payne	Law.
Cosmetics	50 p c	40 p c
China ware	60 p c	50 p c
Stained glass	45 p c	35 p c
Gold leaf, 24 leaves, 1/2 lb.	1/2 lb.	1/2 lb.
Laces, embroideries, etc., of tinsel	60 p c	50 p c
Candy, val. at 15c or less, 4c and 4c	15 p c	15 p c
Candy, over 15c. per lb.	15 p c	15 p c
Snuff, lb.	50 p c	40 p c
Cigars and cigarettes, lb.	1/2 lb.	1/2 lb.
Orchids	50 p c	40 p c
Flowering bulbs, tulips, hyacinths, etc.	50 p c	40 p c
Preserves	50 p c	40 p c
Jellies	50 p c	40 p c
Olive oil, gal.	1/2 lb.	1/2 lb.
Oranges and lemons, lb.	1/2 lb.	1/2 lb.
Almonds, lb.	1/2 lb.	1/2 lb.
Brandy, gal.	1/2 lb.	1/2 lb.
Bay rum, gal.	1/2 lb.	1/2 lb.
Champagne and all sparkling wines, qts. per doz.	1/2 lb.	1/2 lb.
In pint bottles, per doz.	1/2 lb.	1/2 lb.
Still wines, gal.	1/2 lb.	1/2 lb.
Ale, beer, etc., in bottles, gal.	1/2 lb.	1/2 lb.
Laces	50 p c	40 p c
Silk manufactures	50 p c	40 p c
Fancy paper boxes	50 p c	40 p c
Playing cards, per pk.	100 p c	80 p c
Trimmed hats	50 p c	40 p c
Dolls	50 p c	40 p c
Firecrackers, lb.	50 p c	40 p c
Feathers (dressed)	50 p c	40 p c
Furs (dressed)	50 p c	40 p c
Human hair	50 p c	40 p c
Fans	50 p c	40 p c
Jewelry	50 p c	40 p c
Musical instruments	50 p c	40 p c
Paintings	50 p c	40 p c
Statuary	50 p c	40 p c
Cut glass	50 p c	40 p c

NECESSARIES OF LIFE.

Cattle soap, lb.	1/2 lb.	1/2 lb.
Common crockery	50 p c	40 p c
Glass jars, per lb.	1/2 lb.	1/2 lb.
Common window glass, per lb.	1/2 lb.	1/2 lb.
Scissors and shears, doz.	1/2 lb.	1/2 lb.
Table cutlery, each	1/2 lb.	1/2 lb.
Cut nails, lb.	1/2 lb.	1/2 lb.
Wire nails, lb.	1/2 lb.	1/2 lb.
Needles, sewing and knitting, per thousand	1/2 lb.	1/2 lb.
Crochet needles	50 p c	40 p c
Rough lumber, per 1,000 ft.	1/2 lb.	1/2 lb.
Sawed boards of white wood, planks, etc., per 1,000 ft. board measure	1/2 lb.	1/2 lb.
Other sawed wood, per 1,000 ft. board measure	1/2 lb.	1/2 lb.
Clapboards, per thousand	1/2 lb.	1/2 lb.
Fenceposts, per thousand	1/2 lb.	1/2 lb.
Shingles, per thousand	1/2 lb.	1/2 lb.
Chair cane or reeds, per 1,000	1/2 lb.	1/2 lb.
House or cabinet furniture of wood	1/2 lb.	1/2 lb.
Sugar, not above No. 14	1/2 lb.	1/2 lb.
Dutch standard, per lb.	1/2 lb.	1/2 lb.
Sugar above No. 14 Dutch standard, per lb.	1/2 lb.	1/2 lb.
Molasses testing from 40 to 50 deg. per gal.	1/2 lb.	1/2 lb.
Molasses above 50 deg. per gal.	1/2 lb.	1/2 lb.
Maple syrup and maple sugar, per lb.	1/2 lb.	1/2 lb.

Agricultural Products.

Cattle less than 1 yr. old, per head	1/2 lb.	1/2 lb.
Other cattle, val. under \$14, per head	1/2 lb.	1/2 lb.
Over \$14, per head	1/2 lb.	1/2 lb.
Swine, per head	1/2 lb.	1/2 lb.
Horses and mules val. at \$12 or less, per head	1/2 lb.	1/2 lb.
Over that value	1/2 lb.	1/2 lb.
Sheep, per head	1/2 lb.	1/2 lb.
Barley, per bu.	1/2 lb.	1/2 lb.
Corn, per bu.	1/2 lb.	1/2 lb.
Oats, per bu.	1/2 lb.	1/2 lb.

Oatmeal and rolled oats, per lb.	1/2 lb.	1/2 lb.
Rice, cleaned, per lb.	1/2 lb.	1/2 lb.
Rye, per bu.	1/2 lb.	1/2 lb.
Wheat, per bu.	1/2 lb.	1/2 lb.
Wheat flour, per 50 lb. sack	1/2 lb.	1/2 lb.
Butter and substitutes, per lb.	1/2 lb.	1/2 lb.
lb.	1/2 lb.	1/2 lb.
Cheese, per lb.	1/2 lb.	1/2 lb.
Milk, per gal.	1/2 lb.	1/2 lb.
Beans, per bu.	1/2 lb.	1/2 lb.
Eggs, per doz.	1/2 lb.	1/2 lb.
Hay, per ton	1/2 lb.	1/2 lb.
Honey, per gal.	1/2 lb.	1/2 lb.
Hops, per lb.	1/2 lb.	1/2 lb.
Onions, per bu.	1/2 lb.	1/2 lb.
Peas (green), per bu.	1/2 lb.	1/2 lb.
Peas (dried), per bu.	1/2 lb.	1/2 lb.
Potatoes, per bu.	1/2 lb.	1/2 lb.
Castor beans, per bu.	1/2 lb.	1/2 lb.
Flaxseed or linseed, per bu.	1/2 lb.	1/2 lb.
Straw, per ton	1/2 lb.	1/2 lb.
Vegetables in natural state	1/2 lb.	1/2 lb.

Fish.

Fish, dried, salted, smoked, pickled, frozen, per lb.	1/2 lb.	1/2 lb.
Mackerel, halibut or salmon, fresh, salted or pickled, per lb.	1/2 lb.	1/2 lb.

Fruits and Nuts.

Apples, peaches and other small fruits, per bu.	1/2 lb.	1/2 lb.
The same, dried, per lb.	1/2 lb.	1/2 lb.
Berries, per at.	1/2 lb.	1/2 lb.
Chocolate and cocoa, per lb.	1/2 lb.	1/2 lb.

Salt, per 100 lbs.

Salt in bulk	1/2 lb.	1/2 lb.
Salt, per lb.	1/2 lb.	1/2 lb.
Vinegar, per gal.	1/2 lb.	1/2 lb.

Cotton.

Cotton thread and carded yarn up to and including No. 15, per lb.	1/2 lb.	1/2 lb.
Cotton from No. 15 to No. 30, per lb.	1/2 lb.	1/2 lb.
Cotton, exceeding No. 30, per lb.	1/2 lb.	1/2 lb.
Cotton thread, colored, up to and including No. 20, per lb.	1/2 lb.	1/2 lb.
Cotton, thread, colored, No. 20 to No. 30, increase per No. above 20, increase per No. 30, per lb.	1/2 lb.	1/2 lb.
Cotton thread of cotton, including crochet, darning and embroidery, per doz. spools	1/2 lb.	1/2 lb.
Cotton cloth, unbleached, less than 36 threads to sq. in., per sq. yd.	1/2 lb.	1/2 lb.
Cotton cloth, unbleached, 36 to 40 threads to sq. in., per sq. yd.	1/2 lb.	1/2 lb.
Cotton cloth, bleached, val. at over 10c per sq. yd.	1/2 lb.	1/2 lb.

Cotton handkerchiefs or

Cotton handkerchiefs or	1/2 lb.	1/2 lb.
Cotton corduroy, per sq. yd.	1/2 lb.	1/2 lb.

Cotton stockings

Cotton stockings	1/2 lb.	1/2 lb.
Cotton stockings, seamless, per doz. pr.	1/2 lb.	1/2 lb.

Shirts and drawers, pants,

Shirts and drawers, pants, vests, sweaters, etc., per doz.	1/2 lb.	1/2 lb.
Same, higher grades	1/2 lb.	1/2 lb.

Cotton suspenders

Cotton suspenders	1/2 lb.	1/2 lb.
Wool.	1/2 lb.	1/2 lb.

All wools and hair of the

All wools and hair of the first class, per lb.	1/2 lb.	1/2 lb.
Second class, per lb.	1/2 lb.	1/2 lb.
Third class, per lb.	1/2 lb.	1/2 lb.
Shoddy, per lb.	1/2 lb.	1/2 lb.
Women's and children's dress goods, wool, per sq. yd.	1/2 lb.	1/2 lb.

Carpet, treble ingrain, 3-ply,

Carpet, treble ingrain, 3-ply, per sq. yd.	1/2 lb.	1/2 lb.
Wool carpets, Dutch and 2-ply ingrain, per sq. yd.	1/2 lb.	1/2 lb.

Hats, bonnets, and hoods,

Hats, bonnets, and hoods, composed of straw, palm leaf, etc., not trimmed	1/2 lb.	1/2 lb.
Same, trimmed	1/2 lb.	1/2 lb.
Buttons, per gross	1/2 lb.	1/2 lb.

Flows and other agricultural

Flows and other agricultural implements	1/2 lb.	1/2 lb.
RAW MATERIALS.	1/2 lb.	1/2 lb.

Collection (in sheets), lb.

Collection (in sheets), lb.	1/2 lb.	1/2 lb.
Chalk, lb.	1/2 lb.	1/2 lb.
Clays, per ton	1/2 lb.	1/2 lb.
China clay (kaolin) per ton	1/2 lb.	1/2 lb.
Coal, per ton	1/2 lb.	1/2 lb.
Coal slack, per ton	1/2 lb.	1/2 lb.
Coke	1/2 lb.	1/2 lb.
Asphalt, per ton	1/2 lb.	1/2 lb.
Marble, c. f.	1/2 lb.	1/2 lb.
Building stone, weighed, the value shall be 1/2 lb. or less, per lb.	1/2 lb.	1/2 lb.
Third class, where value is over 1/2 lb. per lb.	1/2 lb.	1/2 lb.
Top waste, per lb.	1/2 lb.	1/2 lb.
Shoddy, per lb.	1/2 lb.	1/2 lb.
Women's and children's dress goods, wool, per sq. yd.	1/2 lb.	1/2 lb.
Carpet, treble ingrain, 3-ply, per sq. yd.	1/2 lb.	1/2 lb.
Wool carpets, Dutch and 2-ply ingrain, per sq. yd.	1/2 lb.	1/2 lb.
Hats, bonnets, and hoods, composed of straw, palm leaf, etc., not trimmed	1/2 lb.	1/2 lb.
Same, trimmed	1/2 lb.	1/2 lb.
Buttons, per gross	1/2 lb.	1/2 lb.
Flows and other agricultural implements	1/2 lb.	1/2 lb.

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Third class, where value is over 1/2 lb. per lb.	1/2 lb.	1/2 lb.
Top waste, per lb.	1/2 lb.	1/2 lb.
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Buttons, per gross	1/2 lb.	1/2 lb.
Flows and other agricultural implements	1/2 lb.	1/2 lb.

Collection (in sheets), lb.

Flint	1 lb.
MANUFACTURED PRODUCTS	
Brick and Glaze.	
Fire brick, not glazed or ornamented, per 100.....	\$1.25
Same, glazed or ornamented, per 100.....	45 c
Other brick, not glazed.....	25 c
Other brick, glazed or ornamented.....	65 c
Tiles, unglazed, per sq. ft.....	10
per 100.....	50
Glass bottles, per lb.....	10 to
Green or colored, per lb.....	150