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 duels 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 pronounced cravers for parliamentary they would vote against it. They had 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, or October. They had the party lead-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 he the provisions of the Payne bill in its final form was a victory for Pres ident Taft. He informed all of the conferees that hides must be placed on the free list, together with petro-leum, 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 bldes. The figures were then lowered to 7 per cent. Now Chairman Sereno 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 instanter. and as quickly was oil put on the untaxed schedule, together with gaso-line, 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 The president resorted to the unusual method of sending a written message to the conference committee demanding lower rates on lumber and gioves 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 he said that conditions had so changed 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. many instances the rates 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 Reginning 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 from \$4 to \$1. The reduc tion 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 se verest pressure from both the upward and downward revisionists throughout. 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 renominated for the pres-The "downwards" told him that Roosevelt would surely be the next Republican candidate for president if the campaign promises for a

The Corporation Tax. The president had a highly difficult task also in preserving his scheme for 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 will be introduced in the various state legislatures condemning the act and recommend-

downward revision were not fulfilled.

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

ing its repeal, according to statements

made by various congressmen in

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 it in their power to defeat the measure and force the president to call another special session in September ers plainly worried for a time, but the able peacemakers at the capital. including President Taft himself, succeeded in calming the ruffled waters at

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. Sereno E. Payne of New York, who also had a part in framing the McKinley and Dingley acts. Actually 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 bour 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 How ard 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 un equivocally 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 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." 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 be tween 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 govern ment, 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

In 1826 the tariff was jumped up a few pegs, and a year later it went higher, from 31 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 Carolinaian waters.

A horizontal reduction of the tariff took place in 1823. 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 2014 per cent occurred on the average duties. Actually a free trade tem, 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 col- Oatmeal and rolled oats, lected, 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 38½ 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 borizontal reduction of 20 per cent on all taxed products, which was defeated.

During Cleveland's first administration the Mills bill was a powerful issue, and in 1888 the tariff fight resulteventful enough to satisfy the most the provisions of the bill stated that ed in the election of Benjamin Harrison to the presidency. He stood for a high protective tariff. As a result the McKinley bill was enacted, putting the duties over the marks reached during the civil war.

The Wilson Bill.

But the revulsion which followed resulted in the re-election of Cleveland in 1802, with a Democratic congress. Then resulted the Wilson bill, providing for wholesale reductions, particularly as regarding fron and steel manufactures. It should be noted that the Disgley 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.

LUXURIES.			
D	ingley	Payne	
	law.	law. 60 p c	
Cosmetics	50 p c	60 pc	
		to 60c	
The state of the s		per lb	
		and 50	
an I		pc	
Chinaware	60 p c	55 p c	
		to 60	
Stained glass	Enc	pc 60 pc	
Stained glass	\$1.75	\$1.75	
Laces, embroideries, etc., of	41.10	*1.10	
tinsel	60 p e1	Scand	
		60 p c	
Candy, val. at 15c. or less,.	4c and	te and	
Account of the second	15 p c	15 pc	
Candy, over 15c. per lb			
	pe		
Snuff, lb	55 p c		
Cigars and cigarettes, lb	\$4.50	\$4.50	
		and	
Obid-	*	25 pc	
Orchids	25 pc	25 pc	
Flowering builds-tulips, nya-	*	1 to \$10	
cinths, etc	m p c	per m	
Preserves	25 p.c		
		35 p.c	
		to 35	
		pc	
		and	
		\$2.50	
		per	
	-	gal	
Jellies		35 p c	
Olives. gal	250	15c to	
O 11	10	25c	
Oranges and lemons, lb	10	½c to	
Almonda Ib	40	te to se	
Almonds, ib	\$2.25	\$2.60	
Bay rum gal	\$1.50	\$2.60 \$1.75	
Champagne and all spar-			
Champagne and all spar- kling wines, qts., per doz	\$8.00	\$9.60	
In pint bottles, per doz	\$4.00		
Still wines, gal	40c	45c	
Ale, beer, etc., in bottles, gal	40c	40C	
Laces	60 pc		
Silk manufactures	50 p c	50 to	
_ 30		60 p c	
Fancy paper boxes	Spc	45 p c	
Playing cards, per pk	1001	20 p c	
Trimmed hats	60 p.c	35 pc	
Trimmed hats			
DollsFirecrackers, lb	8c	8c	
Feathers (dressed)	50 p c		
Furs (dressed)	20 p c	20 pc	
Human hair	10 pc	20 pc 50 pc	
Fans			
Jewelry	60 p c		
Musical instruments	45 pc		
Paintings	20 p c	15 p c	
Statuary	20 p c	15 p c	
Cut glass	60 p c	60 p c	
NECESSARIES OF LIFE.			
Castile soap. lb	. 1%c	1%c	

25 pc 25 pc 1c 1c Scissors and shears, doz ... 15c and 15c and Table cutlery, each......
Cut nails, lb..........
Wire nails, lb........... Needles, sewing and knit ting, per thousand...... 25 pc 25 p Wood. Rough lumber, per 1,000 ft.. Sawed boards of white wood, planks, etc., per 1,000 ft. board measure...... Other sawed wood, per 1,000 \$1.25 \$1.50 \$2.00 15 p c \$1.50 \$1.35 ft. board measure Clapboards, per thousand.
Fenceposts
Shingles, per thousand....
Chair cane or reeds..... 10 pc 10 pc House or cabinet furniture of wood 5 pc 35 pc Sugar

Sugar not above No. 16 95-100e 95-100e 56 deg., per gal...... Molasses above 56 deg. aple sirup and sugar, per lb...... Agricultural Products. Cattle less than 1 yr. old, per head.
Other cattle, val. under \$14, per head.
Over \$14, per head.

Breadstuffs.

Plate glass, firted, rolled or ribbed, per sq. ft .. Cast polished plate glass 10 p c Rye, per bu.... Wheat, per bu. Wheat flour ... Mpc Mpc ectacles, eyeglasses, Butter and substitutes, per val. at 40c. and not .45c and 45c and Same; val. at over \$1.50 ... Glass lenses, ground, pebbled or polished 45 pc 45 pc copes, microscopes and 45 pc 45 pc cubes of marble, Pens (green), pe Peas (dried), per bu .. stor beans, per bu. of 50 Manufactures of marble, etc. 50 pc 50 pc Manufactures of marchine 15 pc 15 pc Millstones 11.75 11.75 Cerindstones, per ton. 20 pc 20 pc Flaxseed or linseed, per bu.. Fish. Iron and Steel. Iron beams, joists, girders, 5-10c 3-10c Fruits and Nu's. Steel bands (tempered) for making band saws..... Salt, per 100 lbs.. Railway bars, T-rails and Vinegar, per gal... Cotton. 1 2-10c Sheets of iron or steel, 2c Other iron or steel wire 20 to No. 80, increase per No... Above 80, increase per No... Spool thread of cotton, in-cluding crochet, darning and Anvils, iron or steel, per 1b. Axles, per 1b. sledges, crow-embroidery, per doz. spools lotton cloth, unbleached, less than 50 threads to sq. in., per sq. yd,.... Cotton cloth, unbleached, from 60 to 100 threads to sq. in., Cast iron vessels, andirons, Finer grades..... Boiler tubes not thinner than No. 16 wire gauge. to 31/40 314c Cotton cloth, bleached, val. at over 9c per sq. yd.... 25 pc \$ to 7 Penknives 40 p c
Same when val. at 40c. or
more per doz. have additional duty per piece of ... ic to 20c handkerchiefs or 25 pc and 2 Sword blades and side arms 35 pc Files, per doz......30c to \$1 Horseshoe nails, per lb Tacks, brads, etc., per lb.. Cotton stockings 30 pc Stereotype and electrotype

Cotton stockings, seamless, per doz. pr..... pc to 55 pc Shirts and drawers, pants, All other saws vests, sweaters, etc., per doz......60c and Umbrella and parasol ribs.. 50 pc 50 pc Wheels for rallways, per lb 1½c Hooks and eyes, per lb..5½c and to 50 pc to pc \$15.00 New types..... Firearms. Cotton suspenders..... 45 pc 45 p Muskets, muzzle loading Wool. All wools and hair of the

\$4.00 \$5.00 and less than \$10.00... Same, val. at more than \$10.00 Watch Movements. With less than 7 jeweis... 35c and Carpets, treble ingrain, 3-ply. Wool carpets, Dutch and 2-ply ingrain, per sq. yd...18c and 18c and

40 pc 40 pc Hats, bonnets, and hoods, Buttons, per gross.....1-12c to 14c Watch cases, clocks, etc.... Pens, metallic, except gold and 15 pc Plows and other agricultural pens, per gross ...

\$22.50

RAW MATERIALS. Collodion (in sheets), lb.....

٦	Coal slack, per ton	
ı	Coke	20 p c
	Asphalt, per ton	\$1.50
	Marble, c. f	65c
	Building stone, c. f	12e
	Iron ore, per ton	40c
	Iron pigs, ton	\$4.00
	Aluminium. Ib	8c
	Copper (bottoms), lb	
	Lead ore, lb	
	Mica, 1b	6c and
		20 p c
	Nickel, lb	6c
ı	Quicksilver, lb	
	Zine (pigs), ib	
	Sugar cane	20 p.c
	Tobacco, lb	
	Unstemmed	\$1.85
	Stemmed	\$2.50
	Flax straw, ton	\$5.00
	Flax, not dressed, lb	1c
	Hemp, ton	\$20.00
	Silk (carded or combed), lb.	40c
	Cork bark, lb	8c
	Feathers and downs (crude)	15 p c
	Oplum (crude), lb	\$1.00
	Plaster, rock or gypsum,	
	crude, ton	50c
	Beauxite, ton	\$1.00
	Fuller's earth, ton	\$1.50
	Argentine	25 pe
	Metallic mineral substances	
	in crude state, not special-	

squared (not less than & in

Clays, per ton.

China clay (kaolin) per ton.

sq.), and round timber, c. Wood pulp, mechanica Hides 15 pc Free MANUFACTURED PRODUCTS. Brick and Glass.

per ton..... Other brick, not glazed. Other brick, glaze
Other brick, glaze
mented
Tiles, unglazed, per sq. ft...
Tiles, glazed, per sq. ft...
Glass bottles, vials, jars,
or colored, per ib...

3-10c 9-10 11/20 4-10c 3-10c %C 314c 20 pc 20 pc 30 pc 25 pc Screws, according to length,
per lb......4e to 12e 3e to 25 pe 25 pe ing shotguns val. at not more than \$5.00 each...... Same, val. at more than \$4.00 \$1.35 \$1.85 12c Hemp, Jute, Etc.

Penholders and gold pens.. 25 p c fc i 5 p c Cables and cordage made of hemp, per 1b Single yarns of flax hemp or Floor mattings, per sq. yd..3c to 7c 31/4C

25 p c

Same, val above 5c. per lb... Copying paper, tissue paper, etc., per lb..... 6c and 5c to 6c Crape paper, per lb....... 5c and 5c and A policy."

A policy." 15 pc 15 pc Photographic papers, per lb. 3c and 3c and Paper envelopes, plain..... Letter and note paper, per 25 pc 20 pc 2c and 3c and Same, weighing more than 15 lbs., per ream, per lb 31/2c and 3c and 15 pc 15 pc 25 pc and other explo-

sives, per lb 4c to 6c 2c to Cartridges Halreloth, per sq. yd. Crinoline, per sq. yd. Hats, Bonnets, Etc. Fur hats, bonnets and hoods val. at not over \$5.00 per doz., tax per doz..... \$10.00 per doz, tax per doz.

\$20.00 per doz., tax per dos.

Beiting and sole leather, etc. Sheepskins, dressed, per doz. Qoatskins, dressed, per doz. Patent and japanned leather, per lb..... 30c and Meand Same, weighing over 25 lbs. per doz., per lb..... Women's or children's, glace finish, per doz. prs....... \$1.75 to \$1.25 to Men's gloves, same finish, per doz. prs. \$3.00 \$1.00 Women's or children's, lamb or sheep, per doz. prs. . . . \$2.50 to \$2.50 to Men's, same kind, per doz. women's or children's, goat or other leather, per doz. \$4.00 \$4.00 \$3.00 to \$3.00 · prs. Men's goat or other leather. per doz. prs..... Manufactures of catgut, am-\$4.00 \$4.00 Бре Бре ber wax, asbestus, etc..... Manufactures of bone, india rubber, horn, whalebone Manufactures of plaster of manufactures of ivory, gelatin, shell, etc. Slate pencils, per 100...... Clay pipes, per gross..... 50cand 50cand Other pipes, pipe bowls and other smokers' articles.... 60 pc 60 pc Plush for men's hats...... 10 pc 10 pc

THE FREE LIST. The new free list of the Payne bill

includes the following articles: Petroleum, crude and refined, was continued on the free list, though cousiderable opposition to this procedure

developed. Hides were put on the list after prolonged and bitter controversies. Senstor Aldrich and various of the older members of the upper house led the campaign against free hides. The Dingley bill placed a duty of 15 per

cent ad valorem on hides. The new free list, while very similar to that of the Dingley bill, contains the following articles that, among others, were not on the Dingley list:

Hides, fenceposts, sulphate of ammonia, platinum combinations with palladium, osmium and rhodium, kindling wood, radium, works of artpaintings, pastels, etchings and sculptures that have been in existence more than twenty years prior to date of importation; other works of art, of bronze, marble, terra cotta, potter, porcelain and antiques produced more than 100 years prior to date of inportation.

ADMINISTRATIVE FEATURES.

The bill marks a distinct departure in that it provides for a corporation tax and a court of customs. The corporation tax, while yielding a large amount of revenue, is primarily designed for the purpose of governme tal regulation of corporations, and I will have this effect.

The fact that the amount of the tar to be assessed was lowered from 2 per cent to 1 per cent is considered by the members of congress to evidence clearly that the bill has regulation for in object and not merely revenue.

The customs court of appeals will further centralize the national government, and it will place the intricals and technical cases as to the construction of the law and the facts respect ing classification of merchandise and rate of duty under the jurisdiction of men who are specialists in this line. There is no appeal from this co which will sit in Washington, and the members of which will be appoint by the president.

For the purposes of the operation of this court the country has been divided into nine customs judicial districts. While many items in the bill shot revision downward, it will as a who provide for an increased revenue, co tinuing in general effect the Reput lican policy of protection.

Retaliation Measures.

Governmental measures of retalls tion against countries which do no make tariff concessions to the Unit States are amply provided for. Mai mum and minimum provisions enal a higher rate of tax to be imposed the products of these countries th would ordinarily have been the case. The creation of a commission to

into the question of the tariff from to into the question of the an into 15 pc 15 pc tion that has been suggested for mil years. It is generally looked on as move toward "taking the tariff out A policy long ago established by

of makers in this country is re in the new measure. It is the imp ing of particularly heavy duties luxuries. The "drawback" provisions are 30 pc dicative of a more kind hearted

ernmental attitude than had been a sidered probable. In brief, a drawb lope lipe is a refund of duty moneys paid material imported into this co which is used in the manufact articles which are themselves expe from this country. The guiding spirit in the form

tion of the provisions of the new man ure has been one to fix duties the 30 pc 30 pc ure has been one to fix us foreign 35 pc 30 pc not necessarily encourage foreign portation, but that render it in for a combination of capital given line to raise prices above that now exist and to prevent the general from being further and President Taft has taken par pains to point out this circ Competition that existed and Dingley bill was enacted has wiped out by the consolidation paules and the combination ests. President Taft renders the 20 pe 20 pe ion that the Payne tariff bill large measure restore the and and of successful competition in measure resources.