

THE PAYNE TARIFF BILL

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

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

After one of the bitterest and one of the most momentous legislative duels in the history of the national capital...

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 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.

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 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.

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.

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.

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.

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

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.

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. Seno E. Payne of New York.

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 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."

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."

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.

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 1/2 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.

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 1/2 per cent.

The Wilson Bill. But the revision which followed resulted in the re-election of Cleveland in 1892, with a Democratic congress.

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.

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

Table with columns for 'Dingley Payne law' and 'Payne bill'. Rows include Cosmetics, China ware, Stained glass, Gold leaf, Laces, Candy, Snuff, Orchids, Preserves, Jellies, Olives, Oranges and lemons, Almonds, Brandy, Bay rum, Champagne, Furs, Human hair, Jewelry, Musical instruments, Paintings, Statuary, Cut glass, Necessaries of Life, Wood, Sugar, Agricultural Products, and Manufactured Products.

Table with columns for 'Dingley Payne law' and 'Payne bill'. Rows include Oatmeal and rolled oats, Rice, Wheat, Butter and substitutes, Cheese, Milk, Eggs, Hay, Honey, Hops, Onions, Peas, Potatoes, Castor beans, Flaxseed, Straw, Vegetables, Fish, Mackerel, Apples, Peaches, The same, dried, Cocoa, Salt, Starch, Vinegar, Cotton, Cotton thread, Cotton cloth, Cotton stockings, Shirts and drawers, Cotton suspenders, Wool, Carpets, Hats, Plows, Raw Materials, Hemp, Jute, Paper, and Manufactured Products.

Table with columns for 'Dingley Payne law' and 'Payne bill'. Rows include Plate glass, Cast polished plate glass, Spectacles, Same, val. at 40c. and not over \$1.50, Same, val. at over \$1.50, Glass lenses, ground, pebbled or polished, Telescopes, microscopes and fieldglasses, Mosaic cubes of marble, Manufactures of marble, etc., Millstones, Grindstones, Roofing slates, Iron and Steel, Iron beams, joists, girders, Boiler or other plate iron or steel, Same, val. at over 4c. per lb., Iron or steel anchors, Iron and steel forgings, Anti-friction ball forgings, Hoop, band or scroll iron or steel, Steel bands (tempered) for making band saws, Railway bars, T-rails and flat rails, Railway fish plates, Iron or steel sheets, Sheets of iron or steel, Rivet, screw, fence or other iron or steel wire, Other iron or steel wire, Anvils, iron or steel, per lb., Axes, per lb., Hammers, sledges, crow-bars, etc., per lb., Bolts, nuts, hinges, etc., per lb., Cast iron pipe, per lb., Cast iron vessels, andirons, etc., per lb., Boiler tubes not thinner than No. 16 wire gauge, per lb., Other tubes, Penknives, Same when val. at 40c. or more per doz. have additional duty per piece of .1c to 20c, Sword blades and side arms, Files, per doz., Horseshoe nails, per lb., Tacks, brads, etc., per lb., Stereotype and electrotype, Crosscut saws, per linear ft., Mill saws, per linear foot, Circular saws, per lb., Steel band saws, per lb., All other saws, Screws, according to length, per lb., Umbrella and parasol ribs, Wheels for railways, per lb., Hooks and eyes, per lb., New types, Firearms, Muskets, muzzle loading shotguns, Double barreled breechloading shotguns, val. at not more than \$5.00 each, Same, val. at more than \$5.00 and less than \$10.00, Same, val. at more than \$10.00, Pistols and revolvers, Watch Movements, With less than 7 jewels, With 7 to 11 jewels, With 11 to 15 jewels, With 15 to 17 jewels, With more than 17 jewels, Watch cases, clocks, etc., Pens, metallic, except gold pens, per gross, Penholders and gold pens, Hemp, Jute, Etc., Cables and cordage made of hemp, per lb., Single yarns of flax hemp or ramie, per lb., Floor matting, per sq. yd., Paper, Sheathing and roofing paper, Printing paper, val. at from 2c. to 5c. per lb., Same, val. above 5c. per lb., Copying paper, tissue paper, etc., per lb., Crape paper, per lb., Surface coated papers, per lb., Photographic papers, per lb., Paper envelopes, plain, Letter and note paper, per lb., Same, weighing more than 15 lbs., per ream, per lb., Books and pamphlets, Gunpowder and other explosives, per lb., Matches, per gross, Percussion caps, Cartridges, per doz., Halcroth, 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., Same, val. between \$5.00 and \$10.00 per doz., tax per doz., Same, val. at more than \$10.00 per doz., tax per doz., Brick and Glass, Fire brick, not glazed or ornamented, per ton, Same, glazed or ornamented, per ton, Other brick, not glazed or ornamented, per ton, Tiles, glazed, per sq. ft., Tiles, unglazed, per sq. ft., Glass bottles, vials, jars, green or colored, per lb., Leather, Belting and sole leather, etc., Sheepskins, dressed, per doz., Goatskins, dressed, per doz., Patent and Japanese leather, per lb., Same, weighing over 15 lbs. per doz., per lb., Women's or children's, glove finish, per doz. prs., Men's gloves, same finish, per doz. prs., Women's or children's, lamb or sheep, per doz. prs., Men's, same kind, per doz. prs., Women's or children's, goat or other leather, per doz. prs., Men's goat or other leather, per doz. prs., Manufactures of catgut, amber wax, asbestos, etc., Manufactures of bone, india rubber, horn, whalebone, etc., Manufactures of plaster of paris, Manufactures of ivory, gelatin, shell, etc., Matting made of cocoa fiber, per sq. yd., Lead pencils, per gross, Slate pencils, per 100, Photographic films, Pipes and smokers' articles, val. at not more than 40c. per gross, taxed per gross, Clay pipes, per gross, Other pipes, pipe bowls and other smokers' articles, Plush for men's hats, The new free list of the Payne bill includes the following articles: Petroleum, crude and refined, was continued on the free list, though considerable opposition to this procedure developed. Hides were put on the list after prolonged and bitter controversies. Senator 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 art-paintings, 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, pottery, porcelain and antiques produced more than 100 years prior to date of importation. 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 governmental regulation of corporations, and it will have this effect. The fact that the amount of the tax 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 its object and not merely revenue. The customs court of appeals will further centralize the national government, and it will place the intricate and technical cases as to the construction of the law and the facts respecting classification of merchandise and rate of duty under the jurisdiction of men who are specialists in this line. There is no appeal from this court, which will sit in Washington, and the members of which will be appointed 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 show revision downward, it will as a whole provide for an increased revenue, continuing in general effect the Republican policy of protection. Retaliation Measures. Governmental measures of retaliation against countries which do not make tariff concessions to the United States are amply provided for. Maximum and minimum provisions enable a higher rate of tax to be imposed on the products of these countries than would ordinarily have been the case. The creation of a commission to look into the question of the tariff from a nonpartisan viewpoint is an innovation that has been suggested for many years. It is generally looked on as a move toward "taking the tariff out of politics." A policy long ago established by tariff makers in this country is retained in the new measure. It is the imposing of particularly heavy duties on luxuries. The "drawback" provisions are indicative of a more kind hearted governmental attitude than had been considered probable. In brief, a drawback is a refund of duty moneys paid on material imported into this country which is used in the manufacture of articles which are themselves exported from this country. The guiding spirit in the formulation of the provisions of the new measure has been one to fix duties that do not necessarily encourage foreign importation, but that render it impossible for a combination of capital in any given line to raise prices above those that now exist and to prevent them in general from being further raised. President Taft has taken particular pains to point out this circumstance. Competition that existed when the Dingley bill was enacted has been wiped out by the consolidation of companies and the combination of interests. President Taft renders the opinion that the Payne tariff bill will in large measure restore the possibility of successful competition in the business fields so affected.