

HOW TARIFF CHANGES AFFECT THE HOME

Washington.—Following are the changes made by the new tariff bill in the rates charged for imports of household necessities:

Table with 3 columns: Present law, New law, and Free after March 1, 1914. Lists various goods like sugar, tea, coffee, salt, bread, etc., with their respective rates.

provision for the highest number. This slightly decreases the rate of some fancy weaves and novelty cloth, but on the greater bulk of cotton cloth the rate is not affected.

READY FOR THE INCOME TAX

Measure Will Yield Large Revenue, According to Those Who Have Drawn the Bill Up.

Washington.—Treasury experts have made an estimate that 425,000 citizens will be affected by the provisions of the income tax bill and that the revenue derived therefrom will approximate \$82,298,000.

This is the schedule: \$3,000 to \$20,000, 1 per cent; \$20,000 to \$50,000, 2 per cent; \$50,000 to \$75,000, 3 per cent; \$75,000 to \$100,000, 4 per cent; \$100,000 to \$250,000, 5 per cent; \$250,000 to \$500,000, 6 per cent; More than \$500,000, 7 per cent.

So far as the taxable American is concerned, the income tax law is now practically in force against him. While the tariff law in which the law is embodied will not be signed until next week, the first returns do not have to be made to the internal revenue collectors before March 1, 1914.

Every single person (citizen or foreign resident) whose annual income exceeds \$3,000, and every married person with an income above \$4,000, is expected to report his or her receipts in detail to the government agents March 1 of each year.

To Produce \$82,000,000. The estimate completed indicates that the income tax will produce \$82,298,000 from the 425,000 persons taxed. To this will be added the \$5,000,000 or more produced by the present corporation tax, which is continued as part of the law.

President Wilson, the federal judges of the Supreme court now holding office and employes of a state or any political subdivision thereof, are the only persons specifically exempted from the tax by the new law.

First Burden is on Citizen. The general public is expected to give close study to the new law in the next few months, as the first burden of the tax payment rests with the individual citizen, and his failure to report his income is punishable by a fine.

It is admitted that when first returns are made many taxable persons probably will escape payments, but with each year the government's lists of persons with taxable incomes will be made more nearly complete.

Methods of Collecting Tax. Two primary methods of collecting the tax are contained in the law. One is that the individual return made by the citizen; the other the returns by corporations and other employers who pay their employes' taxes 'at the source.'

Under the law as it will be signed by President Wilson next week, every large company employing labor will be compelled to report any regular salaries it pays in excess of the \$3,000 figure, and will pay the taxes for its employes and deduct the tax from their pay envelopes.

This 'payment at the source' will apply to salaries, rents, interests, royalties, partnership profits and some other sources of income, and persons receiving such incomes must be prepared to show that the money has paid its tax at its source.

In figuring up his net income for the taxpayer, the American business man, after deducting \$3,000 for himself, or \$4,000, if married, will have the right to claim the following additional exemptions:

Necessary expense of carrying on business, not including personal, living or family expenses.

Interest paid out of indebtedness.

National, state, county, school or municipal taxes paid within the year. Trade losses, or storm or fire losses, not covered by insurance.

Worthless debts charged off during the year.

A reasonable allowance for the depreciation of property.

Dividends from companies whose incomes have already been taxed.

Interest from state, municipal or government bonds.

Must be Entire 'Net Income.'

It is a clear provision of the law, however, that the taxable person must make a return to the internal revenue collector for his entire 'net income,' and exemptions claimed under the law must be submitted to the federal officers for them to determine upon their reasonableness or legality.

The amount of the income tax, as finally agreed upon, follows:

From \$3,000 to \$20,000, 1 per cent; from \$20,000 to \$50,000, 2 per cent; from \$50,000 to \$75,000, 3 per cent; from \$75,000 to \$100,000, 4 per cent; \$100,000 to \$250,000, 5 per cent; \$250,000 to \$500,000, 6 per cent; above \$500,000, 7 per cent.

A single man with an income of \$25,000, for example, would pay 1 per cent on \$17,000 and 2 per cent on \$500, a total tax of \$270. If married, the first tax of 1 per cent would apply to only \$16,000 of the income.

Ready to Answer Questions. The treasury department is preparing for a flood of questions about the new income tax, realizing that this feature of the tariff bill about to become law strikes more intimately at the tax paying citizen than do the indirect taxes collected through the customs duties.

Representative Cordell Hull of Tennessee, who drew the income tax provision of the tariff bill which will soon become law, made public a detailed explanation of the tax plan as it will touch the individual citizen.

The treasury regulations soon to be prepared will make clear to every taxpayer the requirements of the law and its application to income derived from the various kinds of business. Mr. Hull said, 'Any person who keeps familiar with his business affairs, during the year should have no difficulty in executing his tax return.'

How Tax is Divided. The income tax is divided into two phases, the normal tax of one per cent on the whole income above \$3,000, and the additional tax that begins with an extra one per cent above \$20,000 and is graduated to six per cent above \$500,000.

Wherever the income tax is paid 'at the source' by a corporation for its employes or in similar cases, only the one per cent normal tax is so paid.

The individual has to pay any additional tax himself. The provisions of the law requiring the tax to be withheld at the source does not take effect until November 1, 1913.

For the first year the citizen will make return to the local internal revenue collector before March 1, 1914, as to his earnings from March 1, 1913, to the end of this year. The collector will notify him June 1 how much he owes and the tax must be paid by June 30. After next year the tax will apply on the full calendar year.

If the income of a person is under \$3,000, or if the tax upon same is withheld for payment at the source, or if the same is to be paid elsewhere in the United States, affidavit may be made to such fact and thereupon no return will be required.

Covers incomes of All Citizens. The tax covers all incomes of citizens of the United States, whether living here or abroad; those of foreigners living in the United States, and the net incomes from property owned or business carried on in the United States by persons living abroad.

The net income includes all income from salaries or any compensation for personal services; incomes from trades, professions, business, or commerce; from sales or dealings in personal property or real estate; from interest, rent, dividends from securities; for all business carried on for gain.

Firms, corporations, and the like having the handling of interest, rents, salaries, or other portions of the income of any citizen are compelled to deduct the tax for the individual and pay it to the government. The individual then will receive a receipt showing he has paid his tax.

'BIG DITCH' NOW ALMOST COMPLETE

Removal of Gamboa Dike Means End of Work Is Near.

WATERS OF OCEANS MEET

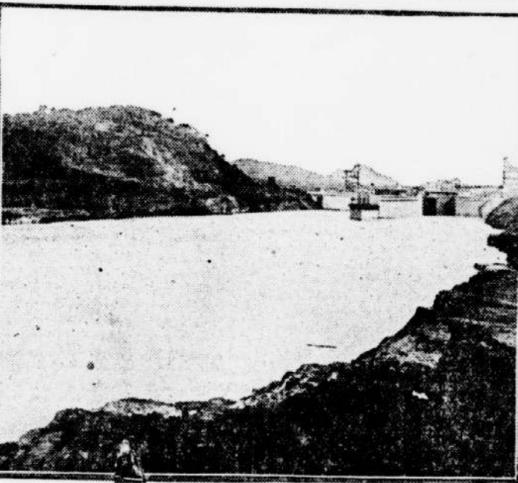
First Steps Are Taken Toward Destruction of Big Embankment Which Holds Gatun Lake Out of Culebra Cut.

Colon, Panama, Oct. 1.—The climax of nine years of untiring work on the part of the men who have been building the Panama canal came today when the waters of Gatun lake were permitted to run for the first time into the Culebra cut.

The water was permitted to flow into the cut today through four 26-inch pipes extending through the Gamboa dike, which has held the waters of the lake back from the cut. This was done in order that there may be enough water in the cut to prevent any damage when the dike is finally removed.

The final destruction of the big dike is scheduled for October 10, when charges of dynamite placed in holes already drilled in the dike will be exploded. The explosion of these charges will not completely destroy the dike, but will weaken it and loosen the dirt so that the force of the waters from Gatun lake will carry it away.

Although the canal will not be officially declared completed for some time, and the formal opening of the waterway to the commerce of the world more than a year distant, the canal engineers look upon the destruction of the Gamboa dike as marking the real completion of the canal. The big engineering feats have all been accomplished, the excavation work practically has been completed.



This picture gives a view of the great expanse of water now gradually filling the Panama canal, which is almost ready for the admission of the big ships. To look at the picture one would think that the canal was finished.

and the great locks have been constructed. The work that remains to be done is largely detail, and is but child's play as compared with that which has been done. More dirt is to be removed from the channel, but this will be done with suction dredges floating upon the waters of the canal.

The fact that the canal stands practically complete more than a year before the time originally set as the date for its completion is one of the remarkable features of the work. When Count de Lesseps, the great French engineer, abandoned his efforts to build the Panama canal after eight years of labor, he had scarcely made a beginning upon the gigantic task.

To Avoid Counterfeiting. In the production of their notes, the Bank of England authorities chief aim is to issue a note which is impossible for anybody to counterfeit. Toward this end, all the parts of the note—the paper, the watermark, the ink, the engraving, the printing—are prepared and done in a special, and as far as possible, secret manner.

In Stevenson's Opinion. Stevenson—that most heroic of invalids—would have agreed with Dr. McWalter of Dublin that it is better to enjoy a short and merry life than to be a helpless centenarian. 'To forego all the issues of living, in a parlor with a regulated temperature,' he writes, scornfully, 'as if that were not to die a hundred times over, and for ten years at a stretch! And if it were not to die in one's own lifetime, and without even the sad immunities of death! And if it were not to die,

spite unforeseen difficulties that have beset them at every hand.

Goethals to Make Final Test. The first vessel to pass through the canal probably will be a boat of the Isthmian canal commission.

It is said that as long ago as the early part of August, assurances were given Washington officially that if the emergency should arise, the entire Atlantic battleship fleet could be put through the canal into Pacific waters within 60 days from that date.

Culebra Cut Caused Trouble. The excavation of the Culebra cut, into which the water has just been turned, has been one of the engineering feats connected with the building of the canal, and has caused the engineers more trouble than any other portion of the big 'ditch.'

The disastrous slides in the cut were discouraging to the engineers, nullifying in a few hours the work of many weeks, but Colonel Gallard and his assistants have kept untiringly at their work, and at last have conquered the treacherous banks of the deep cut. The engineers believe that the danger of slides will be eliminated now that the water has been turned into the cut.

A little more than a month ago the giant steam shovels finished their work in the Culebra cut. Since that time the workmen have been busy removing the shovels, the railroad tracks and other machinery used in the excavation work.

Realize Dream of Centuries. Through the work of these men—of them members of Uncle Sam's fighting body—the United States has been able to attain what has been the truth the dream of centuries. In nine years these men have carried through an undertaking that was first thought of several hundreds of years ago.

There is evidence that the idea of an isthmian canal was born as early as the sixteenth century, for history records the fact that the Innuities declared such a project to alter the face of the earth to be impious and further discussion of the matter was forbidden by Philip II. of Spain, whose reign began in 1556.

The United States government first took definite action looking toward the construction of an isthmian canal in 1824, when the senate voted for the building of a Nicaraguan canal. An expedition was sent to Nicaragua to make an investigation, and reported that the canal could be constructed for \$25,000,000, hardly one-twentieth of the amount that the Panama canal will have cost when completed.

The matter rested until after the Civil war, when negotiations for a canal commission were entered into by the United States government. Before anything had been accomplished the concession for a Panama canal had been given to Lucien Napoleon Banaparte Wyse, a Frenchman. He organized a company, which sold out later to the financiers associated with Ferdinand de Lesseps. The company organized with de Lesseps at its head was the first one to actually begin operations on the isthmus.

Such was the history of the isthmian canal project for some 300 or 400 years, until the day in 1904 when Uncle Sam undertook the task.

In nine years the dream of the centuries has been realized.

to read between the lines, behind the words, beyond the horizon of the printed page? Philip's question to the chamberlain of Ethiopia was crucial: 'Understandest thou what thou receivest?' I want books not to pass the time, but to fill it with beautiful thoughts and images, to enlarge my spirit, to give me new friends in the world, to purify my ideals and make them clear, to show me the local color of unknown regions and the bright stars of universals truth.—Henry Van Dyke.

Why He Hurried Away. A supposedly confirmed old bachelor had lately fallen deeply in love and might be seen almost any day passing and re-passing the house of his lady love. One day he picked up a small thimble, which had suddenly rolled down the steps. He stood a while meditating on the beauty of the owner and looking at the thimble longingly. Then he pressed it to his lips, saying: 'Oh, that it were the fair cheek of the wearer!' As he finished he looked upward, hoping for a glimpse of her, but instead, from the second-story window a big negro woman looked out. 'Boss,' she said, 'please to toss up dat fumble of mine, I want to go on sewing.'

MANY CHANGES TO BE NOTED IN NEW TARIFF MEASURE

Bill on Which Special Session of Congress Has Been Working.

REDUCTIONS IN MANY DUTIES

Average Ad Valorem Rate Is Lower Than in Either the Payne-Aldrich or the Wilson-Gorman Law—Income-Tax Measure Expected to Add Over \$82,000,000 to the Revenue—Measures for Collecting It Being Completed.

Washington.—The tariff revision bill, Democratic measure on which the congress has been at work, advanced to its last congressional stage when it came back to the house from the final conference committee with the unanimous indorsement of the Democratic conferees.

The measure, of course, has both its friends and enemies. According to the administration, it carries out four of the party promises. Tariff reform, reduction in the high cost of living, campaign against the trusts, in that duties have been taken off of many trust made article, and the income tax.

The measure, consequently, has a larger importance than that of a mere tariff reform bill, and its effect must be widespread, both on business and industry, and also in connection with politics. Democratic leaders are confident that business will suffer no untoward effect; that consumers will be benefited.

Changes in the Rates. The bill imposes an average ad valorem rate of from 27 to 29 per cent. The average for the present Aldrich law is 40.12 per cent. The average for the Wilson-Gorman act was 39.45 per cent.

Duties generally have been reduced on all of the articles that enter into the necessities of life, including the products of the farm as well as manufactured products.

Trust made products in many cases have been transferred to the free list or the duties at present imposed have been substantially reduced.

The income tax feature of the bill is expected to net some \$83,000,000. It will call for a tax on net incomes of unmarried persons of \$2,000 and upwards and on net incomes of married persons living together, where the wife or husband is dependent, of \$1,000 and upwards.

Experts' estimates indicate a surplus of \$16,000,000 over all expenditures at the end of the present fiscal year.

A rate of 40 per cent. is imposed on stockings and half hose valued at not more than 70 cents a dozen pairs. For stockings between 70 and \$1.20 a dozen pairs a duty of 40 per cent. was agreed upon.

The conferees eliminated the provision inserted by the senate denying entry into the American market of goods manufactured by children under 14 years of age.

The final agreement provided that any person employed to collect the income tax may be utilized by the secretary of the treasury in the general service of the internal revenue bureau.

Agricultural Products and Provisions. Cattle, sheep and other domestic animals suitable for use as food, wheat and wheat products and eggs, have been transferred to the free list. Reductions have been made on oats, butter, beefs, frozen eggs, peans, green-house stock, zante currants, chocolate and cocoa sweetened and extracts of meats from the rates provided by the house. The rates have been increased over those provided by the house on broken rice, fish packed in oil and ground spices. A rate of 20 per cent. ad valorem is placed on ground spices in addition to the specific rate provided by the house on ground.

The senate receded from the reduced rate placed on faxseed and its amendment placing a duty on bananas. The house classification on lemons and other citrus fruits is accepted.

Papers and Books. The house rates have been reduced on common paper, box, boards, papers partly covered with metal leaf or gelatine and plain basic papers for albumizing for photographic printing. The rates provided by the house for surface-coated papers suitable for covering boxes has been increased from 35 to 40 per cent.

The senate amendments placing specific rates graduated according to thickness and size have been agreed to with several reductions in the rates provided. The rates agreed to are approximately equivalent to the ad valorem rates provided in the house bill. A specific rate has been placed on lithographic views of scenes and buildings located in the United States instead of the ad valorem rate provided by the house. This amendment results in an increase in the rate of duty.

Cotton Manufactures. The senate classification of cotton cloth, according to the average number of the yarns contained therein, was accepted, instead of the house

will call for a tax on net incomes of unmarried persons of \$2,000 and upwards and on net incomes of married persons living together, where the wife or husband is dependent, of \$1,000 and upwards.

Experts' estimates indicate a surplus of \$16,000,000 over all expenditures at the end of the present fiscal year.

A rate of 40 per cent. is imposed on stockings and half hose valued at not more than 70 cents a dozen pairs. For stockings between 70 and \$1.20 a dozen pairs a duty of 40 per cent. was agreed upon.

The conferees eliminated the provision inserted by the senate denying entry into the American market of goods manufactured by children under 14 years of age.

The final agreement provided that any person employed to collect the income tax may be utilized by the secretary of the treasury in the general service of the internal revenue bureau.

Agricultural Products and Provisions. Cattle, sheep and other domestic animals suitable for use as food, wheat and wheat products and eggs, have been transferred to the free list.

Reductions have been made on oats, butter, beefs, frozen eggs, peans, green-house stock, zante currants, chocolate and cocoa sweetened and extracts of meats from the rates provided by the house. The rates have been increased over those provided by the house on broken rice, fish packed in oil and ground spices. A rate of 20 per cent. ad valorem is placed on ground spices in addition to the specific rate provided by the house on ground.

The senate receded from the reduced rate placed on faxseed and its amendment placing a duty on bananas. The house classification on lemons and other citrus fruits is accepted.

Papers and Books. The house rates have been reduced on common paper, box, boards, papers partly covered with metal leaf or gelatine and plain basic papers for albumizing for photographic printing. The rates provided by the house for surface-coated papers suitable for covering boxes has been increased from 35 to 40 per cent.

The senate amendments placing specific rates graduated according to thickness and size have been agreed to with several reductions in the rates provided. The rates agreed to are approximately equivalent to the ad valorem rates provided in the house bill. A specific rate has been placed on lithographic views of scenes and buildings located in the United States instead of the ad valorem rate provided by the house. This amendment results in an increase in the rate of duty.

Cotton Manufactures. The senate classification of cotton cloth, according to the average number of the yarns contained therein, was accepted, instead of the house

after the sun had baked Kansas daily and not a drop of rain had fallen, Thorpe was jubilant. 'Things are looking better,' he declared. 'We'll be all right out in Kearney.' 'Had any rain?' asked Brown. 'Not a drop.' 'Got any corn?' 'Not a bushel.'

'Then what has happened to cheer you up?' 'Why, major, don't you know that broom corn is worth \$200 a ton?' 'That's fine,' commented Brown. 'How much broom corn will Kearney county raise this year?' 'Not a pound—but we are going to

try shelves, etc. One clever house-keeper has found a new use for them. She pastes a small oblong label on the inside of every bureau or chiffonier drawer, at the right or left side, near the front. But first she writes on them the words 'underwear,' 'stockings,' 'napskins,' 'handkerchiefs,' 'shirts,' or whatever the article that belongs in that drawer. If she is not there to lay away the clothes, or if that work is given to a maid, there is no excuse for anything being out of place. And with chil-

dren she says it works excellently, as they learn to have definite places for all their little articles.

Psychology of Applause. 'You say my play is bad,' said the indignant author.

'Very bad,' replied the manager. 'How do you account for the fact that a lot of people applaud?'

'Nearly everybody who attends a theater is either a host or a guest. They applaud in a considerate effort to keep up each other's spirits.'

Habits of Authors. London Tit-Bits has looked up the smoking habits of several well-known English authors. It says that Conan Doyle, Gilbert Parker, Robert Hichens and E. F. Benson are cigarette lovers. Three fiction writers, Cutcliffe, Hynes, Max Pemberton and W. W. Jacobs, are named as having a fondness for the pipe, and G. K. Chesterton and Arthur Morrison prefer cigar

INCOME TAX EXPECTED TO YIELD LARGE REVENUE; FIGURES SHOW THOSE WHO ARE TO BE AFFECTED

Table with 3 columns: Incomes, Number, and Total Tax. Shows the distribution of income tax revenue across different income brackets.

after the sun had baked Kansas daily and not a drop of rain had fallen, Thorpe was jubilant. 'Things are looking better,' he declared. 'We'll be all right out in Kearney.' 'Had any rain?' asked Brown. 'Not a drop.'

'Got any corn?' 'Not a bushel.'

'Then what has happened to cheer you up?' 'Why, major, don't you know that broom corn is worth \$200 a ton?' 'That's fine,' commented Brown. 'How much broom corn will Kearney county raise this year?' 'Not a pound—but we are going to

try shelves, etc. One clever house-keeper has found a new use for them. She pastes a small oblong label on the inside of every bureau or chiffonier drawer, at the right or left side, near the front. But first she writes on them the words 'underwear,' 'stockings,' 'napskins,' 'handkerchiefs,' 'shirts,' or whatever the article that belongs in that drawer. If she is not there to lay away the clothes, or if that work is given to a maid, there is no excuse for anything being out of place. And with chil-

dren she says it works excellently, as they learn to have definite places for all their little articles.

Psychology of Applause. 'You say my play is bad,' said the indignant author.

'Very bad,' replied the manager. 'How do you account for the fact that a lot of people applaud?'

'Nearly everybody who attends a theater is either a host or a guest. They applaud in a considerate effort to keep up each other's spirits.'

Habits of Authors. London Tit-Bits has looked up the smoking habits of several well-known English authors. It says that Conan Doyle, Gilbert Parker, Robert Hichens and E. F. Benson are cigarette lovers. Three fiction writers, Cutcliffe, Hynes, Max Pemberton and W. W. Jacobs, are named as having a fondness for the pipe, and G. K. Chesterton and Arthur Morrison prefer cigar

put in a rip-snorting areage next season.—Kansas City Star.

and yet be the patient spectators of our own pitiable change! The permanent possibility is preserved, but the sensations carefully held at arm's length, as if one kept a photographic plate in a dark chamber. It is better to lose health like a spendthrift than to waste it like a miser.'

Why He Hurried Away. A supposedly confirmed old bachelor had lately fallen deeply in love and might be seen almost any day passing and re-passing the house of his lady love. One day he picked up a small thimble, which had suddenly rolled down the steps. He stood a while meditating on the beauty of the owner and looking at the thimble longingly. Then he pressed it to his lips, saying: 'Oh, that it were the fair cheek of the wearer!' As he finished he looked upward, hoping for a glimpse of her, but instead, from the second-story window a big negro woman looked out. 'Boss,' she said, 'please to toss up dat fumble of mine, I want to go on sewing.'

Reading Between the Lines. To get the good of the library in the school of life you must bring into it something better than a mere bookish taste. You must bring the power

to read between the lines, behind the words, beyond the horizon of the printed page? Philip's question to the chamberlain of Ethiopia was crucial: 'Understandest thou what thou receivest?' I want books not to pass the time, but to fill it with beautiful thoughts and images, to enlarge my spirit, to give me new friends in the world, to purify my ideals and make them clear, to show me the local color of unknown regions and the bright stars of universals truth.—Henry Van Dyke.

Why He Hurried Away. A supposedly confirmed old bachelor had lately fallen deeply in love and might be seen almost any day passing and re-passing the house of his

lady love. One day he picked up a small thimble, which had suddenly rolled down the steps. He stood a while meditating on the beauty of the owner and looking at the thimble longingly. Then he pressed it to his lips, saying: 'Oh, that it were the fair cheek of the wearer!' As he finished he looked upward, hoping for a glimpse of her, but instead, from the second-story window a big negro woman looked out. 'Boss,' she said, 'please to toss up dat fumble of mine, I want to go on sewing.'

Reading Between the Lines. To get the good of the library in the school of life you must bring into it something better than a mere bookish taste. You must bring the power

to read between the lines, behind the words, beyond the horizon of the printed page? Philip's question to the chamberlain of Ethiopia was crucial: 'Understandest thou what thou receivest?' I want books not to pass the time, but to fill it with beautiful thoughts and images, to enlarge my spirit, to give me new friends in the world, to purify my ideals and make them clear, to show me the local color of unknown regions and the bright stars of universals truth.—Henry Van Dyke.