

NEW TARIFF LAW

SYNOPSIS OF THE UNDERWOOD-SIMMONS BILL.

FREE WOOL ON DECEMBER 1

Measure Expected to Yield Surplus the First Year—Free List Enlarged by the Senate.

WASHINGTON.—The twenty years' tariff war reached its final stage in Congress, when Chairman Underwood of the Ways and Means Committee laid before the House the report of the conferees and announced that the differences between the Senate and House bills had been compromised.

It is the second low tariff measure that has been passed in more than 65 years.

The average ad valorem rate of the present bill is very much lower than that of the Wilson-Gorman act. The average rate of the latter was 39.45 per cent, while the estimated rate of the present bill ranges from 27 to 29 per cent. The average for the present Payne-Aldrich law is 40.12 per cent.

Senator Simmons said, after a report from the Treasury experts, that for the first full fiscal year the measure would yield a surplus of \$18,000,000.

Among the 875 amendments made in the Senate, many related merely to verbiage. The House yielded on 427 and the Senate abandoned 151. Compromises were effected on 97.

The general trend of the Senate amendments was in the direction of reduced duties. Expressed in percentage the Senate bill when reported reduced duties 27.64 below the existing law and 4.22 per cent, below the House bill as it had come to the Senate.

The result of the conference report has been a slight increase of the ad valorem rate of duty carried by the bill, but the net result is below the average ad valorem rate of the House bill.

For the first time in the history of tariff legislation the Senate has gone on record in favor of lower duties in a tariff bill than those adopted by the House.

The most important features of the new bill are those which led to the greatest struggle in both the Senate and House Democratic caucuses. They related to the free listing of wool and of sugar. Except for the strong insistence of President Wilson it is likely that the Senate would have restored a revenue duty on both wool and sugar.

Raw wool will go on the free list automatically. All other rates in the bill will go into effect as soon as it is signed.

In restoring to the free list alizarin, lead or creosote oil, anthracene oil, lead or creosote oil, the Senate followed the existing law, which gives to the manufacturers of certain textiles the benefits of free dyes used in the industry. The House had made them dutiable for revenue purposes. The Senate made them free on the theory that the textile products had been made to pay less duty and that the manufacturers should have the raw material free.

The cyanides were transferred to the free list because they are used largely in mining and are raw material for other American industries. Both the Senate and House agreed that tanning materials, such as extracts, should go upon the free list because the products of the tanneries, sole leather and other leathers of the coarser kind that enter into the manufacture of boots and shoes, harness and saddles were all free listed.

The Democrats put cements and other building material, including lumber and shingles upon the free list. Pig iron and ferromanganese, billets and ingots for railway wheels, together with antimony ore, were put on the free list.

Automobiles will pay about 30 per cent, which was a reduction of one-third from the House rate. Cattle, sheep and all domestic animals suitable for food and wool, flour and eggs were put on the free list. This was to conform with the tariff policy of reducing the cost of living.

The five per cent, rebate in tariff made in the House bill on goods brought in American ships was retained in the conference, with the added provision that it would not "be so construed as to abrogate or in any manner impair or affect the provisions of any treaty" the United States now has.

The administrative features as embodied in the House bill emerged from conference but little changed.

The conference adopted a substitute for the Senate amendment to check fraudulent invoices. This provides that the arrival within the territorial limits of the United States of any merchandise consigned for sale and remaining the property of the shipper, and the acceptance of a fraudulent invoice by the consignee or agent of the consignee shall be deemed an attempt to enter such merchandise whether or not actual entry is made or offered.

The Senate amendment requiring statements of cost on merchandise consigned for sale, as well as on that actually purchased, was stricken out.

The conference agreed to the Senate amendment authorizing the Secretary of the Treasury and the Secretary of Commerce to require importers to furnish more detailed information on shipments for statistical purposes.

Undervaluation Penalty.
The Senate receded from the amendment allowing a margin of 5 per cent, undervaluation without penalty and limiting forfeiture of the particular goods undervalued. The bill imposes an additional duty of 1 per cent, on undervalued goods.

Offsetting this, the conference adopted the Senate amendment authorizing the Secretary of the Treasury to assess the duty on less than the entered value when satisfied that the importer has in good faith at the time of the entry certified the entered value above the market value.

The conference restored the House provision authorizing the Board of General Appraisers to exercise both judicial and inquisitorial functions in customs examinations, and struck out of the Senate amendment the provision excluding hearsay evidence. Senate amendments were agreed to prohibiting contingent fees in customs cases and striking out the provision of the House bill, limiting protests to a single article and issue.

The House provision, to authorize collectors of customs summarily to fine importers for failure to produce books and records was stricken out.

The House provision placing the burden of proof on the defendant in suits for the recovery of the value of merchandise fraudulently imported was restored after having been stricken out by the Senate.

House provision requiring shippers and importers to produce their books to authorized agents of the government adopted with an amendment authorizing the Secretary of the Treasury to impose additional duties in case of refusal, instead of the House provision authorizing him to exclude the merchandise from entry.

The Senate amendment authorizing the President to impose countervailing duties was stricken out.

Reciprocity Feature.

The President is authorized to negotiate trade treaties with foreign countries subject to approval by Congress.

By a conference substitute Section eight of the treaty with Cuba, dealing with the preferential on sugar, is specifically abrogated. With this exception, the reciprocal trade treaty with Cuba stands.

Free importation of articles from the Philippines was limited by the conference to such as contain not more than 30 per cent, of foreign material, the Senate amendment limiting free entry to such Philippine goods as are shipped under a through bill of lading being rejected.

The Senate, through its conferees, receded from its amendment prohibiting the importation of goods manufactured principally by children under fourteen years of age.

Other conference changes were as follows:
Importations of models of women's wearing apparel for use of manufacturers in their own establishments is permitted.

Foreign material for the construction of repair of naval vessels of the United States may be imported free.

Cigars may be manufactured in a bonded warehouse and withdrawn for consumption in the United States upon payment of the duty on the tobacco used in its imported condition and the internal revenue cigar tax.

Farmers and fruit growers may manufacture alcohol free of tax for denaturing.

The Steel Trust was the combination hardest hit by the conferees. Iron ore was placed on the free list, in the hope of inviting Cuban and South American competition. The Steel Trust and its subsidiaries now hold virtually all the marketable ore in the country. The removal of duty is expected to make it possible for independents to enter the steel business with some hope of overcoming the trust's handicap.

Blow at the Beef Trust.
The Beef Trust fared in the same manner. As a result of the placing of cattle on the free list, South American nations are expected to develop a cattle raising business for the purpose of helping to feed North Americans. The entry of South American beef is expected to cut the price of meats, notwithstanding the prophecies of the beef barons that the price will continue to soar.

The Woolen Trust was sheared of the protection which has enabled it to keep foreign-made goods out of the country, while the sheep raisers of the West will have to meet the wool from Australia and other countries that will enter on a free-trade basis.

The system of maintaining high prices on eggs through the operation of a nation-wide cold storage system will be compelled to change its plan or meet the importation of eggs free of duty.

The most vital changes made by the conferees are given in the following recapitulation:
House rates on photographic, surveying, opera glasses and similar instruments were reduced. Cement, asphalt and limestone were placed on the free list.

Pig iron, scrap iron and ferromanganese, used in making high-priced steel, were free listed. Steel products rates were generally reduced. House rates on zinc were increased.

Postponement of the placing of sugar on the free list was agreed upon.

Food Animals Made Free.
All duty was removed from cattle, sheep and other food animals, wheat and its products and eggs. House duties on oats, butter, beans, peas, currants, chocolate and cocoa were cut.

The Senate receded from its duty on bananas and flaxseed.

By changing classification, rates on fancy weaves and novelty cloths of cotton were slightly reduced. Cotton yarns were increased. Cheap stockings were reduced and lace curtains were increased.

Wool rates were greatly decreased, including flannels, blankets and cheaper stockings. Duties on higher priced stockings were increased. Angora wool and its products were given a higher duty. The decreased wool schedules are not made effective until Jan. 1, 1914. Wool ribbons, bands and narrow fabrics were increased 40 to 45 per cent.

Among the sundries, fur skins, gun-powder and harness were made free of duty. The following important additions to the free list were made:

Sugar machinery, school textbooks and unused moving picture films. Countervailing duties were placed on potatoes, wheat and its products.

The Chemical Schedule.
Reductions in the House rates in the chemical schedule covered perfumed and medicinal soaps, crude chicle, linseed oil and chlorate of potash, while the House rates were increased on many kinds of acids, and on some classes of paints.

The tariff on automobiles, fixed by the House at 45 per cent, and radically cut by the Senate, was finally

compromised by making a new classification of automobiles valued below \$2,000, for which a rate of 30 per cent. was fixed.

The 5 per cent. rebate in tariff made by the House bill on goods brought in American ships was retained with the added provision that it should not "be so construed as to abrogate or in any manner impair or affect the provisions of any treaty" the United States now has.

To Reduce Cost of Living.
As compared with the original House bill these specific reductions were made by the conferees on food and food-stuffs:
All meat animals free; wheat, taxed 10 cents a bushel in the House, free; sugar and molasses, free within a short time; oats, from 10 to 6 cents a bushel; butter, from 3 to 2½ cents a pound; beans, from 10 to 5 per cent; eggs, free instead of 2 cents a dozen; storage eggs, from 2½ to 2 cents a pound; peas, from 15 to 10 cents a bushel; seeds, from 10 to 5 cents a bushel; bananas, free; chocolate and cocoa from 25 per cent. ad valorem, to 2 cents a pound.

To Save \$1,000,000,000 a Year.
In preparing estimates on the bill, Mr. Underwood figured that it will save consumers approximately \$1,000,000,000 annually. The free list alone should save approximately \$500,000,000 annually, he estimated.

ADMINISTRATIVE FEATURES.

General Provisions Governing the Levying of the New Rates.

WASHINGTON.—The administrative features of the bill are very comprehensive. In their preparation the Ways and Means Committee and the Finance Committee studied the reports of two Government commissions, and another report from the General Board of Customs Appraisers.

Under the new legal regulations all merchandise imported into the United States is held to be the property of the person to whom it is consigned or who holds the bill of lading.

Invoices shall be made out in the currency of the country where the merchandise is made or purchased, or agreed to be purchased, and shall contain a description of the merchandise. It is required that a statement shall be made in the invoice of the purchase price agreed upon, and that transactions that are actual purchases and sales shall be entered as such. Invoices shall have entered thereon a statement signed by the purchaser or owner setting forth that the invoice is correct. If it is a bill of sale the price agreed upon shall be stated. When obtained in any other manner than by purchase the wholesale price in the markets of the country of export shall be stated.

This paragraph follows, in large measure, provision of Section 3 of the Payne law, except for the insertion of the words, "or when purchases are made in several places in the Consular district, where the merchandise is assembled for shipment," and makes changes with reference to agreements to purchase.

The conferees rewrote a provision in this section. It provides that when merchandise arrives in the United States and remains the property of the shipper, or consignee, or the acceptance of a fraudulent or false invoice thereof by the consignee or his agent or the existence of any other facts constituting an attempted fraud shall be deemed an attempt to enter such merchandise, notwithstanding no actual entry has been made or offered.

Sub-section 4 of Section 28 of the Payne law is re-enacted. It requires all imports to be accompanied by an invoice under oath. The invoice must state the cost of the merchandise or the market value.

Whenever merchandise is imported into the United States a declaration shall be filed with the Collector of the Port.

Criminal and civil liability for making false statements in regard to an invoice are separated in the administrative sections of the new Tariff act. This is a change from the Payne law.

The new law changes the provision of the Payne law that the invoice shall be sworn to before a notary public designated by the Secretary of the Treasury. Hereafter the invoice may be sworn to before any notary public. Should the notary public be guilty of attesting a statement without the personal appearance of the importer, the Treasury Department, according to the framers of the law, could go before the State official appointing the notary and have his certificate revoked.

REDUCTIONS ON ESSENTIALS.

Sundries.

Wearing apparel for which cattle, dog or goat skins are used, from 50 to 15 per cent.

Bags, satchels, pocketbooks, etc., from 47.23 to 30 per cent.

India rubber and manufactures thereof, known as druggists' sundries, from 40 per cent to 15 per cent.

Cotton Manufactures.
Spool thread cotton, from 36 cents a dozen spools to 15 per cent. ad valorem.

Handkerchiefs or muffers, not hemmed, from 45 per cent. to 25 per cent; hemmed, from 55 per cent. to 30 per cent.

Silks and Silk Goods.
Silk partly manufactured and not further advanced than carded or combed, from 35 cents a pound to 20 cents a pound.

Wool Manufactures.
Blankets and flannels from 72.09 per cent. to 25 per cent.
Carpets of every description from 55.10 per cent. to 50 per cent.

Clothing.
Gloves, from 44 per cent. ad valorem to \$2 a dozen.
Woolen goods, from 11 cents a pound to free list.

Hats and bonnets of fur, from 51 per cent to 45 per cent.
Bags, satchels and pocketbooks, from 47.23 per cent. to 30 per cent.

Children's gloves, from 44.15 per cent. to \$2 per dozen.
Pearl buttons, from 48 per cent. to 25 per cent.

Collar and cuff buttons, from 48 per cent. to 40 per cent.

FARM PRODUCTS, LIVE STOCK, Etc.

| | Old Tariff | New Tariff |
|---|-------------------------------------|-------------------------------------|
| Horses and mules—Valued at \$150 or less each | \$20.00 ca | 10% |
| valued over \$150 each | 25% | 10% |
| valued \$200 or less each | 20% | 10% |
| valued over \$200 each | 25% | 10% |
| Animals, live, all other not provided for | 20% | 10% |
| Barley, per bushel of 48 lb. | 30c | 15c |
| oat, per bushel of 48 lb. | 35c | 25c |
| pearled, patent, or hulls | 20c lb | 15c |
| Backwash, per bushel of 48 lb. | 5c | 1c lb |
| Macaroni, vermicelli, and similar preparations | 1½¢ lb | 1¢ lb |
| Oats, per bushel of 42 lb. | 15c | 5c |
| oatmeal and rolled oats | 10c per 100 lbs | 30c per 100 lb |
| oat hulls | 10c per 100 lbs | 8c per 100 lb |
| Rice, cleaned | 2c lb | 1c lb |
| uncleaned | 1¾¢ lb | ¾¢ lb |
| Rice, uncleaned | 1c lb | ¾¢ lb |
| Rye | 10c bu | 8c bu |
| Biscuits, bread, wafers, cakes, and baked articles; and puddings, chocolate, nuts, fruits, or confectionery, valued 15c or less per lb. | 1c lb and 15% | 25% |
| valued over 15c lb. | 50% | 2½¢ lb |
| Butter and substitutes | 6c lb | 10% |
| Cheese, salted or unsalted | 15c lb | 10% |
| Beans, per bushel of 60 lb. | 45c | 25c |
| Lentils, per bushel of 60 lb. | 25% | 25% |
| Beans of all kinds | 25% | 5% |
| Beans, prepared or preserved, or cut into jars, bottles, or similar packages | 2½¢ lb | 1c lb |
| Mushrooms and truffles (as above for peas) | 2½¢ lb | 2½¢ lb |
| salt, sliced or dried pigs not less than 1 lb. | 2½¢ lb | 2½¢ lb |
| Vegetables, reduced in size, packed, pickled, packed in salt, brine, oil, or prepared in any way | 40% | 25% |
| Bread, cake, miso, and similar products | 40% | 25% |
| Pickles, pickled nuts, sauces, fish paste or sauce | 30% | 25% |
| Cider | 5c gal | 2c gal |
| Eggs, frozen or prepared or preserved | 5c doz | 2c lb |
| Egg albumen, frozen or liquid | 2c lb | 1c lb |
| dried | 15c lb | 10c lb |
| yolk | 25% | 10% |
| Hay | \$4.00 ton | \$2.00 ton |
| Honey | 16c gal | 16c gal |
| Hops | 16c lb | 50% |
| Hop extract and lupulin | 50% | 50% |
| Garlic | 1c lb | 1c lb |
| Onions, green or 27 lb. | 10c bu | 20c bu |
| Peas, green or dried, in bulk or in barrels, sacks, or similar packages, per bushel of 60 lb. | 25c | 10c |
| split, per bushel of 60 lb. | 45c | 20c |
| in cartons, papers, or similar packages | 45c | 1½¢ lb |
| Orchids, palms, azalea indica, and cut flowers, preserved or fresh | 25% | 25% |
| Lily of the valley pipe, tulips, narcissus, begonia, and lily of the valley bulbs | \$1.00 per 1000 | \$1.00 per 1000 |
| Hyacinth, astilbe, dellytra, and lily of the valley clumps | \$2.50 per 1000 | \$2.50 per 1000 |
| Lily or calla bulbs or corms | \$5.00 per 1000 | \$5.00 per 1000 |
| Pony caribons, or Kasempier, or Germanica, or ranula, and any other bulbs | \$10.00 per 1000 | \$10.00 per 1000 |
| Bulbs, roots, root stocks, corms, and tubers, all other, cultivated for flowers or foliage | 50c per 1000 | 50c per 1000 |
| Seeds, seedlings, or young plants, of any kind, of half or Mazarin cherry, Manetti multiflora and brin rose, Rosa Rugosa, 3 years old or less | \$1.00 per 1000 | \$1.00 per 1000 |
| Stocks, cuttings or seedlings, of pear, apple, quince, and 3 years old or less, or other fruit trees | \$2.00 per 1000 | \$1.00 per 1000 |
| Rose plants, budded, grafted, or grown on their own roots | 4c each | 4c each |
| Stocks, cuttings and seedlings, of all fruit and ornamental trees, deciduous and evergreen shrubs and vines 25% | 25% | 15% |
| Trees, shrubs, plants, and vines commonly known as nursery or greenhouse stock, not provided for | 25% | 15% |
| Seeds: Castor beans or seeds, per bushel 50 lb. | 25c | 10c |
| Rax, lined, and other oil seeds not provided for, per bushel 56 lb. | 25% | 25% |
| poppy, per bushel 47 lb. | 25% | 15c |
| mushroom spawm | 1c lb | 1c lb |
| spinach | 1c lb | 1c lb |
| canary | free | ¾¢ lb |
| caraway | free | 1c lb |
| anis | 30% | 3c lb |
| beef, corn, sugar beet | 4c lb | 3c lb |
| carrot, corn, salad, parsley, parsnip, radish, turnip, and rutabaga | 4c lb | 3c lb |
| egg plant and pepper | 20c lb | 10c lb |
| all not provided for | 10c lb | 10c lb |
| Straw | \$1.50 ton | 50c ton |
| Vegetables, natural state, not provided for | 25% | 15% |
| Fish (except shell fish), by whatever name known: fish, jars, kegs, tin boxes, or cans, of 7½ cwt. or less | 1½¢ each | 25% |
| over 7½, and not over 21 | 2½¢ each | 25% |
| over 21, and not over 35 | 5c each | 25% |
| over 35, and not over 70 | 10c each | 25% |
| all other, except shell fish, in tin packages | 30% | 15% |
| caviar and other preserved roe | 30% | 30% |
| skinned or boned | ¾¢ lb | free |
| in packages, not provided for | 30% | free |
| fresh water | ¾¢ lb | free |
| herring, pickled or salted, smoked or kippered | ¾¢ lb | free |
| herring, fresh | ¾¢ lb | free |
| eels and smelt, fresh or frozen | ¾¢ lb | free |
| fresh, smoked, dried, salted, pickled, frozen, packed in ice or otherwise prepared for preservation, not provided for | ¾¢ lb | free |
| macrel, cod, haddock, salmon, fresh, pickled, or salted | 1c lb | free |
| Apples, peaches, quinces, cherries, plums, and pears, green or ripe, per bushel 50 lb. | 25c | ¾¢ qt |
| Berries, edible, natural condition | 25% | 10% |
| Cranberries | 25% | 10% |
| Fruits, edible, and berries: dried, desiccated, evaporated, prepared in any manner, not provided for | 2c lb | 1c lb |
| Cones, sweetmeats, fruits of all kinds, preserved, packed in sugar, molasses, spirits, or in their own juices, or having sugar added thereto, containing not over 10% alcohol | 1c lb and 35% | 20% |
| over 10% alcohol, not provided for | \$2.50 gal alcohol over 10% and 35% | \$2.50 gal alcohol over 10% and 20% |
| Jellies | 35% | 20% |
| Mince pies preserved in own juice | 25% | 20% |
| Figs | 2½¢ lb | 2c lb |
| Plums, prunes, and prunelles | 2c lb | 2c lb |
| Raisins and other dried grapes | 2c lb | 2c lb |
| Rates, unshelled | 1c lb | 1c lb |
| Curants, Zante or other | 2c lb | 2c lb |
| Olives, in less 5 gallon packages | 25c gal | 15c gal |
| otherwise | 15c gal | 15c gal |
| Crabs and crabs, in packages | 25c cu ft | 25c cu ft |
| Lemons | 1½¢ lb | 1c lb |
| Oranges, limes, grapefruit, shaddock or pomelo, in packages of 1½ cub. ft. capacity or less | 1c lb | 1c lb |
| over 1½, and not over 2½ cub. ft. | 3c lb | 1c lb |
| over 2½, and not over 5 cub. ft. | 5c lb | 1c lb |
| over 5 cub. ft. | 10c lb | 1c lb |
| Orange peel or lemon peel | 2c lb | 2c lb |
| Coconut, unshelled, or copra desiccated, dried, cut or similarly prepared | 2c lb | 2c lb |
| Citron or citron peel, preserved, candied or dried | 2c lb | 2c lb |
| Pine apples, in barrels or other packages | \$8 per 1000 | \$5 per 1000 |
| in bulk | 4c lb | 3c lb |
| Almonds, not shelled | 4c lb | 4c lb |
| clear, shelled | 6c lb | 6c lb |
| Apricot and peach kernels | 4c lb | 4c lb |
| Pistons and walnuts, not shelled | 3c lb | 3c lb |
| shelled | 5c lb | 5c lb |
| Peas and ground beans, unshelled | 1c lb | 1c lb |
| shelled | 1c lb | 1c lb |
| Nuts of all kinds, shelled or unshelled, not provided for | 1½¢ lb | 1½¢ lb |
| Venison and other game | 15c lb | 10c lb |
| Game birds, dressed | 35c lb | 15c lb |
| Meat, extracts, and other preparations, not provided for | 15c lb | 15c lb |
| extract of, fluid | 15c lb | 15c lb |
| Poultry, live | 3c lb | 3c lb |
| dead, or prepared in any manner, including that of the immediate covering or containers | 5c lb | 2c lb |
| Chicken: rooster, dried or undried, but unground | 15c lb | 1c lb |
| burnt or roasted, ground or granulated, or in rolls, or otherwise prepared, not provided for | 3c lb | 2c lb |
| Chocolate and cocoa, prepared or manufactured, not specially provided for, unsweetened | 5c lb | 8c lb |
| sweetened, value 20c or less per lb. | 2½¢ lb | 25% |
| value over 20c, but not over 24c lb. | 2c lb and 10% | 25% |
| value over 24c lb. | 2c lb and 10% | 25% |
| value over 35c lb. | 50% | 25% |
| The weight and value of the immediate coverings, other than the outer packing case or other coverings, shall be included in the dutiable weight and value. | | |
| Cocoa butter, or butterine, refined deodorized coconut oil, and all substitutes for cocoa butter | 3½¢ lb | 3½¢ lb |
| Dandelion roots and acorns, prepared, and articles used as coffee, or as substitutes for coffee, not provided for | 2½¢ lb | 2c lb |
| Starch, potato | 1½¢ lb | 1c lb</ |