FIRST EDITION

THE REVENUE.

Report of Special Commissioner, Hon. David A. Wells, to the Secretary of the Treasury.

The Income of the Government-Where it is Derived from-Mistakes in Congressional Legislation-The Financial and Tariff Questions-Their Speedy Settlement Required.

An Interesting Document.

The Restoration of National Credit and Resumption of Specie Payment-The Protective Policy and Manufactures,

WASHINGTON, Jan. 5.-The report of the Spscial Commissioner of Revenue, Hon. David A. Wells, addressed to the Secretary of the Treasury, was laid before the House to day.

The results of a somewhat extended investi-gation are presented, not with a view of esta-bilishing or confirming any particular theory, but rather of determining, through the collec-tion of positive dasa, what policy in legislation tion of positive data, what policy in legislation is likely to prove hereafter most advantageous to the revenue, and most certain to establish the credit and industry of the whole country upon a sound and substantial bas's.

The first step or starting-point of the inquiry is the present condition of the capital and industry of the United States:

The facts which constitute an answer to this question are to a considerable degree contradictory and paradoxical. On the one hand there is much that indicates that the country is rapidly

much that indicates that the country is rapidly recovering from the effects of the war, and resuming that wonderful career of progress and development which especially charac-terized its history during the period embraced in the thirteen years from 1847 to 1880. On the other hand, there is another class of facts which other hand, there is another class of facts which as unmistakably indicate the existence of agencies which tend to arrest or obstruct national development, and which foster speculation, idleness extravagance of fiving, discontent with moderate and slow gains, haste to be rich, and the spirit of trading as distinguished from the spirit of production.

It is proposed, in the first instance, to briefly state the evidence in support of the first proposition. This evidence has been presented in great part siready by the Commissioner in his two previous reports, but a recapituation of

great part stready by the Commissioner in his two previous reports, but a recapitulation of the leading elements of national wealth, on which the national credit reposes, can never be considered as nationally, so long as a distinct of the resources of the nation is for any purpose fostered and encouraged—particularly by persons holding official or other public signions. This evidence may be grouped as follows:

First—Immigration. From the 1st of July, 1865, to the 1st of December, 1808, about 1,000 900 native of foreign countries have sought a permanent bome in the United States. Investigations made some years ago (and the ch-racter of the immigration has since greatly improved)

of the immigration has since greatly improved) showed that these immigrants bring with them specie or its equivalent to the average amount of eighty dollars per head; while their average alue to the country as producers cannot be etimated at less than half the average value of an ordinary laborer in the South prior to the war, viz: \$1000 each. Immigration, then, since the termination of the war, may be regarded as having added \$80,000 000 directly, and \$500,000,000 indirectly, to the wealth and resources of the

country.
Secondly—A general increase in the products of domestic industry. The Commissioner is fully aware of the difficulties attendant upon the determination of estimates in this departthe determination of estimates in this department; prices, with the present irredeemable, fluctuating currency, being wholly valueless as a measure, while a statement of quantities, to be strictly 'accurate, must be considered not only with reference to quality, but also to the normal increase in production, which under all circumstances accompanies an increase of population. Nevertheless, the wealth of the country is its capacity for annual production; and an analysis of this production is the suest, and at present the only, available method of testing that wealth.

Heaking generally, however, in the first

By eaking generally, however, in the first instance, the commissioner as erts that all the available data tend to establish the following conclusions, viz.:-That within the last five yests more corton spindles have been put in operation, more from furnaces erected, more iron smeited, more bars rolled, more steel made, more coal and copper mined, more lumber sawed and hewn, more houses and shops constructed, more manufactories of different constructed, more manufactories of different kinds started, and more petroleum collected, refined, and exported, than during any equal period in the history of the country; and that this increase has been greater both as regards quality and quantity, and greater than the legitimate increase to be expected from the normal increase of wealth and population ormal increase of wealth and population. Besides this general statement, the Commis-doner adduces much specific evidence on col-

ton manufacture, pig fron production, copper, petroleum, coal, lake tonnage, etc. He next shows the continued increase in the agricul tural produce of the United States, whether measured by quantity or value. measured by quantity or value,
Under the head of railway extension and
movement, it appears that during the ten
years from 1858 to 1868, the increase of tonnage moved on the roads has been at a rate of six-teen times greater than the ratio of the in-

In discussing the agencies concerned in ational development, he says that all investi-ation clearly shows them to have been mainly we, namely, first, great natural resources in respect to abundant and fertile territory, great natural facilities for intercommunication, abundant and cheap raw material, and diversity without insalubrity of climate; and secondly, as ore and spirit of government which hereto-ore has left man and capital, over an area almost continental, free and unrestrained to work out their own development. Since 1840, especially, other agencies have come in as powerful adjuncts, viz., a continued influx of population and capital from the Old World; a tinued invention and application of labor-ring machinery, and a most rapid extension of the railway system; which last, by giving a market to all the products of our national domain, has greatly stimulated the spirit of industry and enterprise. With these, also, should undoubtedly be included the purchase

of California and the discovery of gold on the As respects the relation of legislation by the alternation, if we except the adoption of a straight in the disposition of the public and, it is difficult, at least for the period and, it is difficult, at least for the period and, it is difficult, at least for the period and it has elapsed between 1840 and 1860, to firm much that is positive, unless, in containty with the maxim that that government best which governs least, absence of legislation is to be regarded in the light of a positive and. If important results followed the acquision of California, such results were certainly either foreseen nor anticipated; while as regards commercial legislation, a review of all the facts cannot fail to suggest a doubt whether a vils which have resulted from instability are not far more than counterbalanced any tentage that may have proceeded from the perience of a fluctuating policy. respects the relation of legislation by the

perience of a fluctuating policy.

The Commissioner is well aware that this inion will not be readily accepted by those to have been educated to believe that the inwho have been educated to believe that the in-justrial and commercial prosperity of the cuptry was seriou-ly affected by the legislation which took place during the years which clapsed from 1842 to 1846. But upon this point

all investigation shows that the facts are entrally contrary to what may be regarded as the popular belief, which, indeed, in this particular, would appear to be based on little else than mere assertions, which, remaining for a regitime unquestioned, have at last acquired the force of socepted historical truth. Thus, for example, it has been constantly asserted, both in Congress and out of Congress, that the production of pig iron was remarkably atimulated under the tariff of 1842—rising from 220,000 tons in 1842 to 800,000 tens in 1848—and that under the tariff of 1846 the same industry was remarkably depressed. Now, these assertions may be ably depressed. Now, these assertions may be correct, but the most reliable statistics to which we have access, viz: those gathered by the American Iron Association, instruct us as

follows:—
Production of pig-iron in 1830, 165,000 tons; in 1840, 347,000 tons. Increase in ten years, 110 per Production in 1845, 486,000 tons; increase in Production in 1850, 564,000 tons; increase in 10

yer 18, 62 per cent. Production in 1855, 754,000 tons; increase in 5 Production in 1860, 913,000 tons; Increase in Iu

Production in 1860, 913,000 tons; increase in 10 years, 61 per cent.

It thus appears that the great annual increase in the production of pig fron took place prior to the year 1840, and for thirty years was remarkably uniform at the rate of 10 to 11 per cent per annum; and that since then, no matter what has been the character of the legislation, whether the tariff was low or high, whether the condition of the country was one of war or peace, the lucrease of the production has been at the average of about 6 per cent, per snnum, or about double the ratio of the increase of population.

crease of population.

The Commissioner gives "another curious illustration" of an apparent misconception of the effects of past legislation upon the development of the country; and then says;—"There does not seem to be any reliable evidence which ment of the country; and then says;—"There does not seem to be any reliable evidence which can be adduced to show that the change which took place in the legislative commercial policy of the country in 1846 had any permanent or marked effect whatever; while, on the other hand, the study of all the facts pertaining to national development from 1840 to 1860, and from 1865 to the present time, unmistakably teaches this lesson; that the progress of the country through what we may term the strength of its elements of vitality is independent of legislation and even of the impoverishment and waste of a great war. Like one of our own mighty rivers, its movement is beyond control. Successive years, like successive sfluents, only add to and increase its volume; while legislative enactments and conflicting commercial policies, like the construction of piers and the deposit of sunken wrecks, simply deflect the current or constitute temporary obstructions. In fact, if the nation has not yet been lifted to the full comprehension of its own work, it builds determinately, as it were, by instinct."

The Commissioner next proceeds to show "the effect of the war in checking national

The Commissioner next proceeds to show "the effect of the war in checking national development," and passes to "the agencies adverse to the national development." As to

adverse to the national development." As to the latter he says.—

The immediate cause of the anomalous condition of affairs in question must unquestionably be referred to the greatly increased cost of nearly all forms of labor and commodities as compared with the price for the same that prevailed in the decade immediately preceding the war; while these in turn must be regarded as the resultant mainly of three agencies growing out of the war, viz: irredeemable paper corrency, unequal and heavy taxation, and a limited supply of skilled labor, the last manifesting itself at the present time in specialties rather than in general.

Influence of an Irredeemable Paper Currency.—

rather than in general.

Influence of an Irredeemable Paper Currency.—
As the specific influence of the first agency has been of late so often and so thoroughly discussed, the Commissioner will only ask attention, under this head, to a few points of presumed novelty or interest; and, first, to a specific statement of actual experience, illustrative of the manner in which an irredeemable paper currency, or, what is the same thing, a national abnegation of specie payments, unavoidably tends to destroy all profitable commercial relations with foreign countries in which trade and industry is conducted on a specie basis. The statement is furnished to the Commissioner by a manufacturer of furniture Commissioner by a manufacturer of furniture in one of the Middle States, who, previous to the war, had built up an extensive export business to the West Indies, Central and South America, of a variety of "cane-seated" and "cane-backed" furniture suited to warm cli-

Thus, on the 1st of March, 1861, gold and currency being at par, \$1000 in gold possessed a purchasing rower sufficient to obtain for the South American importer 111 1-9 dozen of what are termed in the trade "ordinary square post cane-seat chairs" About the 1st of January, 1862, and began to command a premium any. cane-seat chairs." About the ist of January, 1862, gold began to command a premium, and advanced during the next three years with great rapidity. This movement was not, however, participated in at first, to any considerable extent, by either labor or commodities, and in consequence the purchasing power of gold greatly increased; so much so that on the 1st of July, 1864, the \$1000 gold which in 1861 bought 111 1-9 dozen chairs, then bought 143 dozen. Under these circumstances, as was to be expected, trade increased, as the foreign be expected, trade increased, as the foreign purchaser found the American market by far the best for his interest; but from July, 1864, a movement commenced in an exactly opposite dities advancing in very unequal ratios. Thus in January, 1865, the \$1000 gold which four years previous had a purchasing power of 1111-9 dozen chairs, and on the lat of July. 111-9 dozen chairs, and on the 1st of July. 1864, of 143 dozen, then commanded but 126 2 3 dozen: in February, 1866, a still small number, viz: 9134 dozen, and uttimately attained its minimum in January, 1867, when the purchasing power of the sum named was only 8923 dozen. From this point the purchasing power has gradually increased, and for the 1868, has remained at the rate of about 102 dozen, or nine dozen less than could be bought with the same money in 1861.

The result has been that the foreign pur-

The result has been that the foreign pur-haser now goes to France or Germany; walls he products of American industry, in the form of furniture, being no longer available to exchange for sugars, spices, or dye-woods, gold has necessarily been substituted; and, to use the words of the manufacturer describing his condition, "unless there is a speedy return to specie payments, custom will soon so fix the channels and currents of trade that any attempts on my part to divert them will be attended with great difficulty;" and what has thus been shown to be the case in respect to the export trade of the United States in farnitive may be secented as true of almost, even ture, may be accepted as true of almost every other manufactured product, which, as a na-tion, we were accustomed, previous to the war,

to exchange for foreign commodities. The Commissioner gives the "relative amount of currency in use and required in the United States, Great Britain, and France," and a "comparison of prices of labor and commodities in 1860-61 and 1867-68" He says "the purchasing power of the irredeemable paper money now in use is not nearly equal to what it was in the immediate ante-war years of 1860-61;" and that the working men and women of the country do not now receive as much in return for their not now receive as much in return for their labor as before the war. The theory of incon-vertible paper money is, and the facts prove it, that the rich become richer and the poor poorer. In addition, however, to an inconverti-ble paper currency, there are other agencies which are powerfully operating to the produc-tion of a like result, and the consideration of these brings us to a new department of our in-vestigation, viz:—The influence of taxation, direct and indirect, upon the cost of domestic production and consequently proof the ability production, and consequently upon the ability of the country to exchange with foreign na-tions upon terms of equality. Taxation as it exists in the United States may be classified

inder three heads:—
First, Taxation under the internal revenue,
Second, Taxation under the tariff,
Third State and local taxation.

The Commissioner then proceeds to examine, in the order enumerated, the present influence of each of these forms of taxation upon the cost of production and upon national develop

The Commissioner says the internal revenu system of the United States, as it now stands, approximates closely to that which the experiapproximates closely to that which the experience of more than three-quarters of a century in Great Britain has shown to be capable of yielding the maximum of revenue with the minimum of disturbance to the wealth producing elements of the country. The changes, apart from those pertaining to administration, which are required to still in their perfect the system, are not numerous, and with the termination of the large payments for the equalization of bounties, and with an economical administration of the Government, can, undoubtedly, be made with safety at no distant period. They should unquestionably embrace the laxes now levied upon telegraph

and express companies; upon the gross receipts of railroads, steampoats, and other common carriers for the transportation other common carriers for the transportation of passengers; and the percentage taxes on the sales of merchandise; the gross receipts from all of which is less than one balf the annual expenditures during the last two fiscal years for the equalization of bounties. When this has been accomplished, it may with truth be claimed that the entire internal revenue system has been made wholly subordinate to the more important end of creating national wealth; and that under it no direct obstacle whatever is imposed by the Government, which can prevent the domestic producer from placing his product upon the market at the lowest possible cost.

In concluding this review of the present in-fluence and condition of the national taxation under the internal revenue, the Commissioner is constrained to confess that thus far the abatement of prices consequent upon the large annual reduction of taxes has not been what was enticipated, or what the large amount of was anticipated, or what the large amount of was satisfied, or what the large amount of revenue abandoned would seem to have watranted. In the case of not a few articles, as pigiron, manufactured lumber and salt, the pricessince the removal of taxation have actually advanced, while in other instances, as in the case
of agricultural implements, sewing machines,
hoop-skirts, manufactures of silk, newspapers, and in fact most articles which are the products of monopolies created by patents, established custom, or other circumstances, the repeal of the internal tax, through the maintenance of former prices, has been only equivalent to legis-lating a bounty into the pockets of the pro-

ducer.

The Commissioner proceeds to the consideration of the influence of national taxation under the tariff on prices and the cost of domestic production—a subject the discussion of which is attended with the embarrassment that it inrolves more of prejudice, and of opinion founded on private self-interest, than almost any other which, since the abolitton of slavery, has occupied the attention of the Ameloan people. Notwinstanding this, it is important to recognize the fast that, under the existing fractical condition of the country the obtains. in recognize the fast that, under the existing financial condition of the country, the old-time issues between the advocates of free trade on the one hand and protection on the other have ceased to be of any real practical importance—inasmuch as in the arrangement of a tariff with a view to revenue the requirements of the Government must certainly, for the present, necessitate so high an average of duties as to afford all that can be reasonably asked for on the grounds of protecan average of duties as to afford all that can be reasonably asked for on the grounds of protection; and with a given requirement, moreover, for revenue, in excess of what can be derived from the taxation under the tariff of acknowledged luxuries, there would seem to be no valid objection to distributing the additional taxation in such manner as to favor those branches of industry most exposed to foreign competition.

He next speaks of the recognition of the protective system in Europe, and then asks attention to two other points which have been mide the subject of investigation, namely; the direct effect of the tariff on the prices of imports and

effect of the tariff on the prices of imports and the effect of the increase of tariff in checking importations. He says:—"All experience and especially the experience of the United States within the last three years shows that there is a point beyond which duties imposed on importations cannot be carried without rendering them precising themerally. on importations cannot be carried without rendering them practically inoperative. Thus, under the existing tariff, the duties on wines, liquors, and sliks have been carried to such a degree that only so much of these articles are now imported as are necessary to meet a popular requirement that no law can prevent from being satisfied. If carried beyond this point the requirement or necessity will still be met, but the smuggler and illicit dealer, rather than the regular importer, will become the agent of supply; for im no country can evasion of the excise or customs be carried out more successfully than in a republic where popular opinion is both the law-maker and the law sustainer. If proofs in support of this position are demanded, they are most abundant."

The Commissioner discusses the "relations of a tariff for revenue and a tariff for protection," and says "indiscriminate protection is a characteristic of the existing tariff." Under the head of "Resuit of existing influences on national development."

head of "Result of existing influences on national development," he remarks:—
"All commerce is in the nature of barter or exchange. The men who bring to us coffee, sugar, tea, hides, silks, dye-stuffs, and the like, are not the men whose labor or capital has been directly concerned in the production of these directly concerned in the production of the articles, but men whose simple and sole business is to exchange these products at a profit, for the products of other nations. What the exchanger desires most to receive is product in kind, which he may further exchange where and at the same time realize a both ways on the agencies employed by him in the transmission, viz: on his vessels, by their freight. What he desires least to receive is gold or sliver, inasmuch as the intrinsic value of these articles is nearly the same in all countries, and their movement and transmis-sion, inclead of being a source of profit, is rather a source of expense. rather a source of expense

"Now the condition of things in the United States is just this. We have so raised the cost of all domestic products that exchange in kind of all domestic products that exchange in kind with all foreign nations is almost impossible. The majority of what foreign nations have to sell us, as already shown, we must or will have. What foreign nations want and we produce—cotton and a few other articles excepted—they can buy elsewhere cheaper. We are therefore colleged to pay in no small part for such foreign productions as we need or will have, either in the precious metal, br., what is worse in unduly depreciated promises of national payment, and yet there are men who are so far unable to And yet there are men who are so far un tole to realize this condition of affairs, that they severally desire and honestly think they can remedy the evils in question by measures which, like the increase of the currency, the increase of the tariff, or other forms of taxation, will investigably make prices and the cost of will inevitably make prices and the cost of production still higher, and thus aggravate the very difficulties which are already so serious." As a practical illustration of how the United

States trades with the Argentine Republic, the Commissioner subjects to analysis "the commercial relations existing between the United States and the Argentine Republic of South America (Buenos Ayres). The necessity of trade between the two countries belongs, in the first instance, to the United States, which does not afford a supply of domestic bidge sufficient. not afford a supply of domestic hides sufficient to meet more than 58 per cent. of its domestic consumption of leather; and has, in addition, practically no domestic supply whatever of either goat akins or horse hair. Now the Argentine Republic has these articles especially to sell, and event and if the is to sell and export, and if she is willing to dispose of them on terms equally advantageous with other nations, it is not a matter of choice on the part of the United States whether she will trade, but a matter of necessity.

"It is also worth while to diverge for a mo-ment from the discussion of the immediate subject under consideration and see how important is the relation of this supply of foreign hides to American domestic industry, and how good a thing the United States makes of it. The estimated value of all the domestic hides manufactured in the United States during the year 1866, at \$5.50 each, was \$19,250,000. The estimated value of the foreign hides received at the principal Atlantic ports at the United mated value of the foreign 'lides received at the principal Atlantic ports of the United States during the same year was about \$14,-000,000 (values in both instances being reduced to currency with an assumed gold premium of 40 per cent.), making a total of \$33,250,000 as the value of the raw material hides for the year in question. Now during this same year there was received in the during this same year there was received in the city of Boston unmanufactured leather of do-mestic tanning to the value of \$17,463.998; and there was sold and shipped from the State of Massachusetts alone boots and shoes of an esti-mated value of \$55,000,000—total] \$72,463,998, which large sum represents very imperfectly, but yet mest strikingly, the extent to which the value of the hides became enhanced by the process of manufacturing, and also the remuneration which, through such enhancement

necessarily accrued to labor, inasmuch as the increased value in question represents to a greater degree than in most manufactures the amount paid directly to labor.

"As might be inferred from this showing, the United States continues to purchase nides from Buence Ayres, and continues to add to her Buenos Ayres, and continues to add to her wealth and to the sources of employment for her people by so doing; but in thus purchasing we find that the United States stands on a different footing from other commercial nations; or, in other words, has a way of doing things peculiar to herself. Let us see how this is:—

"The Argentine Republic, in sending goat skins and horse hair to the United States requires an equivalent. It has no forests, few manufactures, and an insufficient supply of breadstuffs. It therefore requires lumber, flour, textile fabrics, especially coarse cotions and callcoes, ready-made clothing, furniture, wagens, hardware, saddlery, paints, paper, etc. all products which the United States is capable

of producing in unlimited quantity, and is constrous of selling. The people of the Argentine Republic, furthermore, do not desire payment for these products in the precious metals, and if obliged to receive them must immediately exchange them for the above-named commodities, which are absolutely essential to their existence as a civilized people. Now, as the United States stands to the Argentine Republic in the relation of almost their best customer. United States stands to the Argentine Republic in the relation of almost their best outlomer, and as the two nations are further assimilated through continental position and a common torm of government, and as the former is capable and desirous of supplying those commodities which the latter especially needs, it might naturally be so, posed that the trade between the two would be reciprocal. The exact contrary, however, is the case. The United States, year by year increases its purchases from the Argentine Republic, while the amount of domestic products which the latter, in turn, purchases from the former increases very slowly, or remains altogether stationary."

The Commissioner shows the influence of State and local taxation on the cost of production, etc., and comes to the general conclusion: "Having thus presented, in part, the evidence which demonstrates the rapid development of the country, and having also endeavored to determine and analyze the canses which at the same time tend to check or interfere with such development, we are now prepared to take up and intelligently consider the tesson to be

development, we are now prepared to take up and intelligently consider the lesson to be deduced from these investigations relative to the inquiry proposed in the outset viz, wast policy of legislation is likely to prove hereafter most advantageous to the revenue, and most certain to establish the credit and industry of the whole country on a sound and substantial basis.

hasis, "It seems clear that whatever fiscal policy "It seems clear that whatever fiscal policy may be proposed for adoption, it must not only be recognized and be based on the existing condition of affairs, but must be also in the nature of an amendment which shall to the smallest extent possible partake of the character of an experiment. Violent change, uncertainty, and instability are, of all things, what the business interests of the country have most reason to apprehend, while, on the other hand, the determination and recognition of a clear, well-defined, and practical issue, to be attained to by a certain progressive, even though a slow movement, is sure to bring with it stability, hope, and confidence in the future, the elements which constitute in no small degree the basis of both private and national prosperity. Can such a policy be determined? Can such an issue be consummated?

"The ends to be attained are, mainly, three:—

"The ends to be attained are, mainly, three:— First, full restoration of the national credit and resumption of specie payments; second, re-funding the national debt at a lower rate of interest; third, reduction of the cost of na-tional production, with a view of enabling the production, with a view of enabling the products of American industry to compete on terms of greater equality with the products of loreign nations than is now possible, thereby establishing a system of national protection and insuring stability, increased product, and a redevelopment of American commerce and ship-building.

"Let us now inquire what elements are ready

at hand for the accomplishment of these results. The nation at present is excessively in debt, and is further embarrassed with the volume of its matured and suspended paper. To free liself from embarrassment and to redeem

free itself from embarrassment and to redeem its suspended paper, there would seem to be but one method, which is alone available to individuals under similar circumstances, viz: to manage in some way to receive more than is expended, and to apply the surplus of receipts over expenditures to the payment of debts and to the restoration of credit."

The determination of the probability of oblaining such a surplus, and also its possible extent, involves the consideration of the national finances, present and prospective, and to this the Commissioner asks attention. And, in a subsequent part of his report, he says:—

"In the application of a moiety of the anticipated surplus to the reduction of taxation, the especial object sought to be accomplished should be the reduction of the cost of national production, with a view of removing those impediments which now so greatly restrict and, in many instances, prevent the free exchange of the products of American industry with the needed products of other nations; and thus bring to the country a more favorable balance of trade than now exists. In using the expression balance of trade, the Commissioner does not wish to be understood as recognizing in sion balance of trade, the Commissioner does not wish to be understood as recognizing in any way the old exploded ideas in respect to this subject, viz.: that a nation gains in pro-portion to what it sends abroad, and loses in proportion to what it receives beck, but he does mean to clearly express the opinion that a consition of affairs like that now existing in the United States, whereby gold and sliver and certificates of national indebtedness continually tend to flow out of the country in payment for foreign commodities, in preference to the products of domestic industry, is both un-natural and injurious, and is a condition of affairs exactly the reverse of what prevails in Great Britain, France, and other prosperous commercial nations.

"The Commissioner believes that he has already sufficiently indicated the course ne would recommend in reference to the applica-tion of the auticipated surplus to the reduction of taxes. In the department of internal raveof taxes. In the department of internal revenue, the removal of taxes on the transportation of passengers, the receipts of the telegraph and express companies, the manufacture of gas, and possibly upon sales, would reduce that oracea of our internal revenue system to almost the simplest form that can be devised for the collection of the requisite amount of money which the requirements of the treasury may becessitate. "In the matter of the tariff, the Commissioner

trusts that the Government will not allow ! self to be diverted from the consideration of the real question at issue, through any prejudices which may be evoked either on behalf of free trade or protection. There are no considerable proportion of the people of the United States in favor of the adoption of free trade in the European sense, even were the necessities of the treasury for revenue far less urgent than at present. There are none worthy to bear the name of an American citizen who desire that the industry of foreign countries should prosper and be extended at the expense of our own."

The conclusion of the report is as follows: real question at issue, through any prejudices

The conclusion of the report is as follows:—
"In what has thus been submitted the Commissioner believes that he has sufficiently in itcated his views in respect to the tariff. He can-not resist the conclusion that, as it now stands, it is in many respects injurious and destruc-tive, and does not afford to American industry that stimulus and protection which is claimed as its chief merit. He believes that to grant, in the main, the advances asked in the bills now pending before Congress, would be but to aggravate the very difficulties under which the country now labors, to impair the revenues and

ninder the return to specie payments.

"In fact, our present tariff is in many particulars apparently based upon the old fallacy that, in the exchange of commodities between nations, which constitutes commerce, what one gains the other loses. It needs but a moment's thought to be convinced that there can be no permanent trade or commerce unless it is for permanent trade or commerce unless it is for the gain of both nations; all trade is based upon the mutuality of services, and it is one of the evidences of the progress of modern thought, that the interdependence of nations is beginning to be recognized. This is emmently true in England, France and Germany, true in China and Japan, true even in Spain, but not yet recognized in the United States, if our laws are to be taken as the evidence of our thought. "With these feelings and convictions he would therefore prove untrue to his trust did he not here enter his most earnest protest against any further general increase of the tariff, but would, on the contrary, recommend.

on the contrary, recommend.

"First, An enlargement of the free list.

"Second. A reduction of some rates of duty, and, as an exception, an increase of a few others, with a view to the increase of the

"Third. A reduction of some rates of duty "Third. A reduction of some rates of duty with a view to an absolute abatement, on the simple ground that the reduction of a duty is the reduction of a fax, and that the most efficient method of protecting home industry is by the removal of obstacles in the form of taxes. "Fourth. The conversion to the utmost possible extent of the present ad valorem duties into specifics, as the only practicable method of insuring certainty and equality in the assessment of duties and the prevention of undervaluations, and the abrogation of the privilege which enables returning tourists to import free of duty an amount of goods corresponding to their real or supposed social position. "In behalf of the conclusions thus expressed, the Commissioner confidently papeals to the true friends of American industry for countenance and support, for nothing can be more certain than that, if unnecessary and iniquitous burdens of taxation under the tariff continue to be laid upon the people, the day is not far distant when a reaction of public sentiment will compel either a sweeping reduction of

will compel either a sweeping reduction of

duties, or induce through agitation such an instability in legislation as will in itself prove most injurious and destructive,
'The Commissioner does not believe it expedient in this, a general report, to enter upon the specific details of a tariff revision, but the precise changes required in his judgment to be made will, if called for, be made in the form of a supplementary report, or be submitted personally to the finance committees of Con-

LEGAL INTELLIGENCE.

THE HILL MURDER.

Mrs. Twitchell in Court, COURT OF OYER AND TERMINER — Julges Allison and Peirce,—This morning Camilla E, Twitchell was in the dock, having been brought up in the van to be present at the naming of a day for her trial. She was, as heretofore, closely veiled; but she was not so cast down in appearance or so reticent, but conversed with her counsel and with an old lady who sat beside her. As she signed a document at the instance of

As she signed a document at the instance of counsel, her delicate white hand was seen in strong contrast with the deep black with which she was dressed.

Mr. O'Byrne stated that he appeared upon the following petition, which was read by General Collis:—

To the Honorable Joseph Allison, Presiding Judge of the Court of Oyer and Terminer and General Jall Delivery of the county of Palladelphia. The petition of Camilia E. Twitchell respectfully represents: respectfully represents:—

1. That upon the 22d day of November last, she was arrested upon the charge of having murdered her mother, Mary E. Hill, upon said day.

day.
2. That from that time until the present hour.

ne has been incarcerated in the Philadelphia County Prison.
3. That during that whole time she has never been informed of any fact within the know-ledge of the officers of the law which in any way connects her with the crime with which she

connects her with the crime with which she stands charged; and she is informed and believes that her counsel have not been made aware of any such fact.

4. That under the Constitution and laws of her country she is entitled to a speedy trial and to be made aware of the nature and cause of the accusation sgainst her.

5. That protesting her entire innocence of the accusation her, or of any connection whatever directly or indirectly therewith, it becomes to her a matter of the last importance that she be at once confronted by the witnesses against her, thus enabling her to procure and preserve such evidences of her innocence as may be necessary, and which evidences a lapse of time may obliterate.

She therefore humbly prays your Honor to it as an early day for her trial, and she will ever pray, etc.

Camilla E Twitchell.

Sworn to and subscribed before me this 5th day of January, 1869.

Sworn to and subscribed before me this 5th day of January 1869.

Joseph P. Galton, pro. Clerk.

District Aitorney Sheppard replied that the indictment had informed the prisoner fully of the nature of the accusation. The Commonwealth's officers were as earnestly auxious to bring this case to a speedy trial as the defense could be. That it had not been tried aiready was no fault of the Commonwealth, for the writ of habeas corpus that was taken out, especially for the benefit of this prisoner, post-oned the presentment of an indictment during the pendancy of that writ. But when this twas disposed of a new bill was found, and to it she had already pleaded; she had claimed a separate tr'al; and the case that was concluded last week had consumed fifteen days, and absorbed the whole attenti-n of the Commonwealth's officers. But it was the purpose to take up this case as soon as possible, and if he were to name a day certain, it would be subject to any contingencies that might arise. Subject to these conditions, he would say next Monday week, which he though was speedy, when compared with the cases of many others now in prison charged with murder. He would say Monday week, not quite two weeks distant, and would hope then to be ready.

Mr. O'Byrne said that in view of the labor of the defense and the great importance of the case, it was the prisoner's carnest entreaty that she should have a speedy trial. If Monday week was fixed he slocerely hoped it would not depend upon the convenience of the

was fixed he sincerely hoped it would week was fixed he shoerely hoped it would not depend upon the convenience of the prosecution or their desire for time to fix up more; evidence. A, speedy trial was her constitutional right; and it was not often that prisoners made such requests—in fact, of the many now under a similar charge, she was the

only one who had asked for a speedy trial.
Judge Allison said he did not understand the
District Attorney as qualifying the fixing of the
day further than to such conting-notes as may naturally arise in the trial of all cases. He understood that he expected to be ready on the they named, and to proceed unless some un-known or unexpected cause for postponement bould arise. He thought Monday week might e safely named, and would expect both sides to be ready.

With this understanding the prisoner left the Court, leaning upon the arm of her uncle, the brother of Mrs. Hill.

It appears that many persons did not know this proceeding was to take place, for there was no crowd about or in the Court House. The Judge informed the jurors that they had been summoned to try homicide cases, but the time and attention of the District Attorney and attention of the District Attorney had been so constantly engaged in the trial of the past few weeks that the business of the Court was not yet ready for them, and therefore they were discharged until next Monday. Supreme Court—Chief Justice Thompson and Judges Agnew, Read, and Sharswood.—This morning the following judgments were given:—By Asnew I.

By Agnew J.;—
Sishle vs. Sneed. Error to the District Court
of Allegheny county. Judgment affirmed.
Kirk & Sailor vs. Clark & Gricham. Judgment affirmed. Cluley vs. Lockhart, Grow & Co. Jadgment

By Sharswood, J.:—
The City of Eric vs. The Eric Coal Co., Eric county. Judgment affirmed. Sharswood. J :-Stitsell vs. Reynolds, Judgment reversed and v. f. d. n. awarded. Kistler vs. Painter, Westmoreland county. Opinion affirmed. Wood vs. Wood, Greene county. Decree Hunt vs. Gitman. Allegheny county. Julg-Hunt vs. Gitman. Allegheny county. Julyment reversed. Thompson, C. J., dissenting.
Wilde vs. Trainer. Allegheny county Judyment reversed, and v. f. d. n. awarded.
Pringle vs. Pringle. Cambria county. Judyment reversed, and v. f. d. n. awarded.
Rife vs. Geyer. Allegheny county. Judyment reversed, and judyment given for the defendant on the case stated.
The argument list was taken up.
Nisi Prius—Judge Williams.—Peter K. Titus vs. Charles Woodroff. An action to recover damages for an alleged malicious prosecution. On trial.

DISTRICT COURT, No. 1—Judge Hare.—Moran vs. Bourquin. An action upon an alleged breach of contract for the supply of maps. Before reported. On trial.

DISTRICT COURT No. 2—Judge Greenbank.—George Grier & Co. vs. U. H. Klein & Oo. An action of replevin to recover certain property levied upon for debt, which was alleged to consist of partnership goods. Verdict for the defendant.

Clagborn, Fieming & Co. vs. Banjamin, Born. DISTRICT COURT, No. 1-Judge Hare .- Moran

defendant.
Clashorn, Fleming & Co. vs. Benjamin Row-land & Co. A felgned issue to try the right to personal property. It was alleged that Lewis C. Jennings, a manufacturer in Richmend, became largely indebted to plaintiffs for goods became largely indebted to plaintiffs for goods purchased, and then effected an extended credit with them by giving them a bill of sale of the machinery in his establishment, and a judgment note. He became unable to pay his debts, and plaintiffs went to take possession of the property, but found that it had been seized by defendants under a subsequent confessed by defendants under a subsequent confessed by defendants under a subsequent tonfessed incirright was paramount to that of the defendants, and hence this suit. On trial.

COURT OF COMMON PLEAS—Judges Ludlow and Peirce.—The Orphans' Court argument list was under consideration to-day.

SECOND EDITION

LATEST BY TELEGRAPH,

Railroad Enterprises-A Direct Line from New York to Washington Advices from Africa-Dr. Living. stone's Safety.

FROM BALTIMORE.

Special Despatch to The Rvening Telegraph

Personal. Baltimore, Jan. 5 .- General Grant passed through here yesterday evening quietly. He returns in about ten days, and will spend some time here the guest of William Albert.

Governor Swann's health has improved, and he will be able to attend Governor Bowle's inauguration on the 13th.

Heavy rain last night.

Railroad Conterence. Mesers, Isaac Hinckley, President of the Philadelphia, Wilmington, and Baltimore Ball" read Company, William H Gatzmer, General Ticket Agent of Camden and Amboy Railroad Company, William Prescott Smith, Esq., Suerintendent of the through time between Washington and New York, President Jackson, of the New Jersey Central Radroad Company H. H. Kenney, Superintendent of the Philadelphia, Wilmington, and Battimore Railroad Company, and A. W. Markley, ot the Camden and Amboy Bailroad Company, were all in Baltimore yesterday, in consultation with John H. Garrett, Fsq., President of the Baltimore and Ohio Railroad, in reference to Senator Sherman's bill, now before Congress, for an air line railroad from Washington to New York. They

Safety of Dr. Livingstone.

visit Washington to-day.

By Atlantic Oable. London, Jan. 4 .- Latest news received here from Africa confirms the recent report relative to the safety of the great African traveller, Dr Livingstone. It is said he is somewhere in the vicinity of Lake Nyassa, near the confines of Zazibar. [Victoria Nyanza or Ukerewe Sea is probably the lake meant .- "p.] Owing, it is thought, to the wars between the native tribes his progress has been impeded, and consequently he has been unable to reach the sea-

coast. This Morning's Quotations. London, Jan. 5-A. M.-Consols, 924 for money and account. United States are-twenties

noney and account. United States five-twenties quiet and steady at 74½. Stocks quiet and steady; Eric. 25½; Illinois Central, 35½; Atlantic and Great Western, 44½.

LIVERPOOL, Jan. 5—A. M.—Cotton buoyant; the sales to-day will reach 12,000 bales.

LONDON, Jan. 5—A. M.—Tarpentine firm. Other articles unchanged.

FINANCE AND COMMERCE. OFFICE OF THE EVENING TRLEGHAPH, Tuesday, Jan. 5, 1869,

The Money market continues very close. Call 9@10 per cent. mercantlie paper ranges from 9@12 per cent. per annum.

There was rather more disposition to operate in stocks this morning, and prices generally were Government securities were a fraction lower

City loans were unchanged; the new issue Kailroad shares were the most active on the

list. Reading sold largely at 464@463, dividend off. Lehigh Valley at 534@54, dividend off; and Pennsylvania Railroad at 55½, no change, In City Passenger Bullway snares there was nothing doing. 17 was bid for Thirteeath and Fitteenth; 25 for Spruce and Pine; 10 for Hestonville; '25 for Girard College; 29 for German-town; and 33 for Green and Coates.

Bank shares were in demand at full prices. 56 was bid for Commercial: 57 for Penn Township: 70 for City; and 123 for Central National. Canal theres were firmly held. Schuylkili Navigation preferred sold at 19, no change; and Lebigh Valley at 29@29i, an advance of 4; 10 was bid for Schuylkul Navigation common; 72 for Morris Canal preferred; and 49 for Delaware Division.

-The Girard Life Insurance Annuity and Trust Company, and the Enterprise Insurance Company each announce a dividend of 4 per cent., free of tax, payable on demant. The Fame Insurance Company makes 3 per cent., The Union Passenger Bailway Company announces a dividend of one dollar and fifty

lith instant. The Bank of North America announces a semi-annual dividand of 7½ per cent., and an extra dividend of 5 per cent., together 12½ per cent., payable on the 8th inst.

—The Chesnut and Walnut Streets Passenger Railway Company announces a dividend of one

cents per share, clear of tax, payable on the

dollar and fifty cents per share, free of tax, pay--The National Exchange Bank announces a dividend of three per cent., payable on demand, -The Little Schuy'kill Bailroad Company

announces a semi-annual dividend of 42 per cent., free of tax. PHILADELPHIA STOCK EXCHANGE SALES TO-DAY Reported by De Haven & Bro., No. 40 S. Third stree!

00. 463
d0. 464
d0. 18.75,463
d0. 18.95
d0. 18.96
d0. 0.463
d0. 0.463
d0. 0.463
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d0. 463

-Messrs. Jay Cooke & Co. quote Govern-ment securities, etc., as follows:-U. S. 6s of 1881, 1103@111; 5-20s of 1862, 1101@111; 5-20s, 1864, 1074@1074; 5-20s, Nov., 1865, 1074@ 108; July, 1865, 1064@1064; do., 1867, 1064@ 107; do. 1868, 107@1074; 10-40s, 1054@1054; Gold, 135. Philadelphia Trade Report.

TUESDAY, Jan. 5.—The Flour market remains quiet, but prices are quotably unchanged. About 600 barrels were taken by the home consumers in lots at \$505.75 for superfine; \$66.60 for extra; \$7.25@8 for Iowa, Wisconsin, and Minnesota extra family; \$8.75@10.50 for Peousylvania and Oblo do, do; and \$11@13 for fancy brands, according to quality. Rye Flour commands \$7.50 @8 \$ bb. Nothing doing in Cora Meal.

The demand for Wheat is limited to the immediate wants of the home consumers, who purchase principally of prime lots. Sales of red at \$1.85@2; amber at \$2.01@2.06, and white at \$2.25@2.45. Rye is firmer. Bales of 600 bushels Western at \$1.60@1.62. Corn is held firmly at an advance. Sales of 800 bushels prime dry new yellow at \$52.00c; some damp do, at \$0.293c.; and new white at \$5.000. Oats are quiet at former rates. Bales of 2000 bushels Western at 73@75e. TUESDAY, Jan. 5 .- The Flour market remains

6975c. Nothing doing in Barley or Malt. Worsky is held at \$1.03@1.05 % gal., duty