## Interesting and Important Report of the Revenue Commissioners.

## Results of Direct Taxation --- Frauds---How to Prevent Them. &c.

A preliminary report of the United States Revenue Commission has been printed, and makes a pamphlet of seventy-six pages. The Commission say:

It became apparent to the Commission, at the outset, that any attempt to embrace in their investigations, prior to the time of the presentation of a first report, the whole field of inquiry assigned to them, would not only be impracticable, but also, that any effort with this object in view would, from its necessary diffuseness, lead to no practical or satisfactory results. They therefore, in default of any specific instructions, either from Congress or the Secretary of the Treasury, other than were contained in the act autho rizing the commission, adopted the plan of taking up specifically for investigation those sources of revenue which our own experience and the experience of other countries have indicated as likely to be most produc tive under taxation, and most capable of sustaining its burdens. The result of these submit in the form of independent and special reports.

In carrying out this plan they have sought to make themselves practically acquainted with each subject of inquiry by personal inspection (when the investigation related to a specific branch of industry) and by putting themselves in all cases into direct and frequent communication with revenue officials, and with representative business men from every section of the country. The Commission have also, in most cases, caused the information communicated to them t be received in the form of testimony, under oath, and to be faithfully reported; and they express the hope that Congress will consider it expedient to order this record to be pre-

served in printed form.

They complain of the imperfect and incorrect statistic furnished them by government Bureaus. Another great source of difficulty experienced by the Commission in conducting their investigations, with view of arriving at any correct estimates of the future revenue of the country, has been the abnormal and disturbed condition of every branch of trade and industry since 1861, owing to the effects of the war, frequent alterations of the tariff, and the inauguration of the Internal Revenue system. Many branches of trade and industry have been curtailed during this period from thirty to seventy-five per cen-tum, and some few have been entirely destroyed. Every advance made in the tariff and in the excise has, moreover, been an ticipated to such an extent by every class of importers, dealers, manufacturers and ulators, that it cannot be said as yet that the government has fully tested the capacity of any one of what may be considered as its great and legitimate sources

of revenue.

Thus, for example, the commission estimate that on the 1st of July, 1864, the date when the advance in the tax on distilled spirits, of from sixty cents to one dollar and fifty cents per gallon, took effect, there were made and stored in anticipation of this advance at least forty millions of gallons, or quantity sufficient to supply the wants of the country for at least a year in advance. Since July 1, 1864, therefore, the receipts of the government from distilled spirits have from this cause necessarily been inconsiderable. Of cigars, in like manner, it is estimated that from seventy to eight were manufactured and stored in the city of New York alone, in anticipation of the tax. try previous to the advance of the tariff wer also probably equal to provide the tariff wer The stock of spices imported into the coun also probably equal to nearly two years supply, while in the case of the insignificant article of matches, on which the tax is only one cent per bunch, the stock accumulated in anticipation of the tax was so large that it has not, even at the present date January, 1866, been entirely exhausted.

This abnormal condition of things, cou pled with the fact that the excise has been levied, to a great extent, on a basis of greatly inflated values, renders it extremely diffi cult to predicate anything with certainly concerning the future from the immediate

nue system of Great Britain and that of France. In the former country the follow ing are about the percentages yielded by each item to the revenue: Customs, 32; excise, 28; stamps, 132; land and assessed income and property taxes, 12 post office 51: miscellaneous. 5. Of the customs revenue 91 per cent. was

derived from five articles: spirits, sugar, tea, tobacco and wine.

Of the excise, 97 per cent, was derived from licenses, malt and domestic spirits.

Intoxicating beverages and tobacco yielded nearly 40 per cent, of the total revenue.

The most productive stamp duties were those on the conveyance and transmission of property; deeds, probate of wills and leg acies and successions. Next to these stood stamps on policies of insurances.

The direct tax on land seems very small, being only about one and a half per cent. of the total revenue, but estates and interest in land are reached through the income tax. of which nearly sixty per cent. (under schedules A. and B.) is assessed on real property and the profits of occupying it.

The income tax is at present six pence in the pound, or more than four per cent. on

he assessed valuation.
Such are the leading features of the British revenue system. Having always a regard to the exemption of home industry from burdens, Great Britain thus raises her taxes: 1. From articles of necessary and large consumption, as tea, sugar and coffee. 2. From articles of indulgence, as spirits, beer, (malt) tobacco and wine. 3, From licenses and other taxes on occupations. 4. From

stamps on legal documents, the conveyance and descent of property, and instruments of business. 5. From occupied houses, and

business. 5. From occupied houses, and the luxuries of living, servants, horses, dogs and carriages. 6. From incomes derived from realized property and professional and other earnings. 7. From the post office.

In France, direct taxes, registration, stamps, customs duties, sugar, beverages and tobacco yielded more than seventy-six per cent. of the whole revenue, in the following proportions: Direct taxes, eighteen per cent.; registration and stamps twentyper cent.; registration and stamps twenty-three per cent.; customs duties (excluding sugar), four and a half per cent.; sngar, six per cent.; beverages, twelve per cent., and tobacco thirteen per cent. The deficit in the French budget for 1864 is reported at about 50,000,000f.

Comparing the French with the English revenue system, we observe the same ex-emption from taxation of home industry, especially of those manufactures which find a market in foreign countries. Land is subjected to heavier burdens in France than in England, and the freedom of occupation and action is restrained by heavier exactions in the way of licenses, stamps and registra tions. The revenue derived from foreign imports is trifling in comparison with the evstoms revenue of Great Britain. The appetites and indulgences of the people are ached alike in both countries by heavy taxes on sugar, beverages and tobacco, and in both the post-office is made to contribute a large revenue.

The Commission do not wish to

be understood as recommending any servile imitation of details, for nothing seems more evident than that a revenue system for a particular country cannot be framed theo-retically or copied from any other, but must in every case be adapted to the re-sources of the country for which it is designed, and the fiscal aptitudes and capacity

of its people. Thus, upon no one point are writers on the theory of taxation better agreed than that taxation of raw materials is to be avoided as far as possible; but yet with the experience and practice of the government of British India in respect to opium, saltpetre and shellac; of Holland in respect to the coffee, sugar and spices of Java and Sumetre, of China with houtest Davadad Sumatra; of China with her tea; Portugal with her wines, and Peru with her guano, i would be hardly the part of wisdom and sound policy for the United States to legislate on general principles only, in respect to articles of which they, like the nations referred to, have also a virtual monopoly, and for the supply of which other territories than their own are dependent.

The Commission strongly condemn our present revenue system: The diffuseness of the present revenue system of the United States is doubtless one of its greatest imperfections, and under it the exemption of any article from taxation

is the exception rather than the rule. A system of taxation so diffuse as the present one necessarily entails a system of duplication of taxes, which in turn leads to an undue enhancement of prices; a decrease both of production and consumption, and consequently of wealth; a restriction of exportations and of foreign commerce, and a large increase in the machinery and expense of the revenue collection.

In respect to the injurious influence of this duplication of taxes upon the industry of the country, the commission cannot speak too strongly. Its effects have been already most injurious. It threatens the very ex-istence—even with the protection of inflated prices and a high tariff-of many branches of industry; and with a return of the trade and currency of the country to anything approximating its normal condition, it must, by checking development, prove highly disastrous.

The influence of the duplication of taxes in sustaining prices is also, on the opinion of the Commission, far greater than those not conversant with the subject generally estimate; and were the price of gold and of the national currency made at once to ap proximate, and the present revenue system o continue unchanged, it would be impossible for the prices of most products o manufacturing industry to return to any thing like their former level. In proof of this the Commission ask attention to the following illustrations:

By section ninety-four of the act of June 30, 1864, a tax of five per cent. (or its equivaspecific duties) was imposed upon the sale of most of the industrial products of the country-lumber, breadstuffs, maple and sorghum syrups and sugar, whale and fish oils, and a few other articles ex-

By the amended act of March, 3, 1865, an increase of twenty per cent. was made to the above rates, making the present general manufacturing excise tax six per cent. ad valorem on the sale prices of the product.

Under the operation of this law the

rovernment now levies and collects from eight to fifteen per cent. (and even in some instances twenty per centum) on almost every finished industrial product. In order to fully understand the reason of such conclusions, it must be borne in mind that, bu comparatively few products of manufacturing industry come to the consumer as the result of one process, but that the finished product is almost always an aggregate o several distinct and separate manufactur A good illustration of this principle, and

of the working of the revenue laws in respect to the same, drawn from one of the many statements of experience submitted to the Commission, is presented in the carried on in the cities of New York and Philadelphia. It was formerly the prac-tice of umbrella makers to manufacture the main constituents of their product as one business: but now the business of an um brella manufacturer is rather to assemble parasol, which are made separately and in different parts of the country. Thus, for example, the sticks, when of wood, are made in Philadelphia and in Connecticut. part of native and part of foreign wood, or which last a duty may have been paid. the supporting rod is of iron or steel, it is the product of still another establishment In like manner, the handles of carved wood bone, or ivory, the brass runners, the ties, the elastic band, the rubber of which the band is composed, the silk tassels, the but

tons, the cover of silk, gingham, or alpaca, are all distinct products of manufacture and each of these constituents; if of domes tic production, pays a tax when sold of six per cent. ad valorem, or its equivalent. The umbrella manufacturer now aggregates all these constituent parts previously taxed into a finished product, and then pays six per centum on the whole. It is, there fore, evident that under the present excise system all the parts of the umbrella are taxed at least twice, and in some instance three times, thus adding from twelve to fifteen per cent. to the cost of the umbreils direct: while we may feel certain moreover that each separate manufacturer makes the

payment of the six per cent. tax on his special production occasion for adding from one to three per centum additional to its cost price. In some instances known to the Commission, this addition, thus made by the manufacturer by reason of the payment of his general manufacturing tax, has

Again, in the case of books, pamphlets, &c., a tax imposed on which, being a tax upon knowledge, can only be justified on the grounds of imperative necessity, it is claimed that, including licenses and income tax, the finished book and its constituen naterials pay from twelve to fifteen distinct taxes before it reaches the reader. separate item that enters into the bookaper, cloth, boards, glue, thread, gold lead eather and type materials—pays from thre to six per cent, in the first instance, and then five per cent, on the whole combined and this not upon the cost of the manufac tured article, but upon the price at which i

On cotton fabrics the tax now levied and collected ranges, according to the quality of the goods, from nine to fourteen cents per pound.

On refined sugars the tax on gross sales,

by reason of an inequality of adjustment between the tariff and the excise, is now claimed to be nearly equivalent to all the additional value conferred upon them in refining by all the labor employed therein. Other articles, such as wagons, locomotives, &c., might equally well be cited as illus-

A similar duplication of taxation to that above described, must, in the opinion of the Commission, also attend the adoption of a tax on sales, which at present seems to find much favor throughout the country. Local taxes on industrial circulation in every State, county, township, and village of the Union would be confessedly calamitous; but they could not be as bad as a frontier drawn around each individual in the nation over which nothing could pass in or out not smitten with a tax-repeated at

each border. Another matter of more serious importance, in its bearing upon the industry of the country, than the duplication of taxes, s the lack of equalization or adjustment

between the tariff and the excise.

This subject, which the Commission from lack of time have not been able to investi-gate as fully asthey desired, but upon which

Congress. The nature of this inequality can be better illustrated by example than by argument.

We take as before, and as offering the most striking illustrations, the case of the umbrella and the book industries. In the case of the umbrella and parasol manufac-ture, the cover, as a constituent element of construction, represents from one-half to two-thirds the entire cost of the finished article. The silk, the alpaca, and the Scotch gingham; of which the covers are made, all all imported, the former paying a duty of sixty per cent., and the latter two above fifty per cent. ad valorem, the varia-tion being slight on the quality of textere. The manufactured umbrella, covered with the same material, whose constituent parts are not taxed, either on the material used in their fabrication or on their sale, are however, admitted under the present tariff at a duty of thirty-five per cent, ad valorem, or at a discriminating duty against the American and in favor of the foreign producer of from fifteen to twenty-five per

If we make allowance for the various United States Internal Revenue taxes, it is claimed by the American manufacturers that the discrimination in favor of the foreign producer is fully equal to forty per cent. It needs hardly to be added that during the past six months imported umbrellas have been sold at auction in New York and Boston, with the original c st, duty, freight and charges paid in gold, for a less price than the American article can be manufactured; or that the business of making umbrellas and parasols in New and Philadelphia, involving a capital of \$2,000,000, and employing the labor of some five thousand persons, a majority of whom are females, is threatened with utter destruction. In two instances cited to the Commission, umbrella manufacturers have closed their factories in the United States and, with a view of exporting to this coun try, have transferred their capital and skill

to Europe. The Commission add that at the presen time the one article which, above all others would seem to be a peculiar product of American industry, viz., Webster's Spell-ing Book, is now being printed in large quantities in London, for the use of American schools

Another striking illustration of the ne cessity for the equalization and adjustment of the Tariff and the Internal Revenue act is afforded in the case of Manilla rope. By the present Tariff act, Manilla hemp, imported direct from Manilla, is charged with a duty \$25 \$2 ton; and when imported from Europe an additional duty of 10 \$2 cent. ad valorem, amounting to between \$15 and \$25 aton (according to its cost in Europe) making, in such case, the whole duty amount from \$40 to \$50 \$\to\$ ton. On the other hand, the duty on imported or Manilla rope is only \$\frac{21}{2}\$ cents \$\tilde{\text{p}}\$ pound, or \$56 \$\tilde{\text{c}}\$ ton. By the Internal Revenue act the tax on the manufacture of cordage is fixed at 6 72 cent. on the market value, which at the present time amounts to about 11 cents & pound or over \$33 % ton. It seems evident, therefore, that while the American manufacturers of cordage are paying a duty on hemp imported directly of \$58 \$7 ton (and when im ported indirectly of \$73 \(\frac{1}{7}\) ton), and while the only duty on imported rope is but \$50 7 ton, that not only are they without pro-tection, but that there is a difference in the taxation against them, and in favor of foreign manufacturers, which must result most injuriously to this branch of business We need only add that under this state of things the importations of Mavilla cordage from Europe seem to be rapidly increasing

The report next suggests the "Propose Revenue Policy of the Future." In respect to the evils arising from excessive duplication of taxes under the interna revenue system, and from a lack of equali zation between the tariff and the excise, i may be urged that the remedy for the latte difficulty is most easy, namely, by increas ing the tariff. To this, however, as a permanent measure, there are most serious zation is not confined to the articles specified in our illustrations, but is very general, and will be more and more extensive as the val ue of currency approximates to that of gold while an increase in the tariff, sufficient to remedy all the difficulties, would render the tariff itself almost prohibitory, or a least so high as to invite continued assaults deprive it of all the elements of stability and increase the business of the contraban dist. The remedy, therefore, for the diffi-culties above pointed out and illustrated, save in a few striking instances which have probably resulted from oversight in the traming of the law, must, in the opinion of the Commission, be sought for in such a revision of the present internal revenue system as will look to an entire exemption of the manufacturing industry of the United States from all direct taxation (distilled and fermented liquors, tobacco, and possibly ew other articles excepted). This the Commission are unhesitatingly prepared to

As, however, the revenue derived from the excise on the industrial products of the country amounted to nearly sixty per cent. of the gross internal revenue in 1863 to sixty-four and a half per cent. in 1864 and to nearly fifty per cent. in 1865, it is evident that a radical change of the kind recommended should not be made at once but gradually and according as experience satisfies us of our ability to substitute othe and less objectionable forms of taxation adequate to produce a revenue correspond

To endeavor to remedy the difficulties growingout of the present dupli-cation of taxation and want want of equalization between the excise and the tariff, by specific enactmens of exemptions, as has been proposed by some, would, in the opinion of the Commission, be impracticable, and would crowd the statute book with such a detail of enumeration as would render the law exceedingly difficult of comprehension, and open the way for more gigantic frauds than are now practised. The evil is radical; the remedy must also be radical.

Assuming, then, that the policy indicated, which we here state in brief to be the abolition or speedy reduction of all taxes which tend to check development, and the reten tion of all those which, like the income tax, falls chiefly upon realized wealth, is accepted as the desirable future revenue policy of the country, the question next arises, in what manner and to what extent can it be carried out, and at the same time ensure to the government a revenue adequate to its necessities.

As the average of the present tariff is understood to be upwards of forty per cent. upon the invoiced value of those importations upon which duties are levied—the average having been greatly increased during the past iew years by the imposition of duties or tea, coffee, and other articles previously on the free list, as well as by some additions to other articles—the Commission, after making all due allowance for a possible reduction of some duties and ar crease of the free list, think it safe to estimate the amount of revenue derivable from customs for the fiscal year 1867 to be at least one hundred and thirty millions of dollars

The Commission are unanimously of the opinion that the present rate of two dollars per gallon on spirits is in excess of the proper revenue standard, and that a reduction will be for the interest both of the revenue and of the country. The reasons which have led to this conclusion are presented in detail in the "special report (No. 5) on distilled spirits," to which the Commission would respectfully ask attention. They accordingly recommended that the rate of tax on distilled spirits be reduced to one

dollar per gallon.

With this rate of duty, and with the increase in the annual consumption for indus they profess to present a special report, de-mands the serious and prompt attention of million gallons), which must follow, the excepted. The discrimination at present in

will take place, an average annual revenue of at least forty millions of dollars from this source may be collected.

But, whatever may be the rate of tax agreed upon for the future, it is clearly evident that a far more stringent and effective leave that the takes have written preded if law than that which now exists is needed, it any fair proportion of the amount which government has a right to expect from this source is to be collected, and protection at the same time extended to the honest dis tiller as against the competition of his illicit

The Commission, therefore, present in connection with their special report upon this subject, a draft of a new law, which they believe will be effectual for the preven tion of fraud and the securing of the reve nue. This bill, which is necessarily arbi trary and restrictive, does not in some essential features meet the approval of a portion of the distilling interest of the country, and their opposition to it may be

fairly expected.

The Commission have, however, given a great amount of time to the investigation the subject, and have availed themselves of the judgment of the most experienced revenue officials, distillers and dealers from various sections of the country, and have also sought to acquaint themselves most thoroughly with the matter in which this subject is treated for revenue in the various States of Europe.

The securing of a large revenue from dis

tilled spirits in the United States is absolutely necessary to insure the successful carrying out of any plan for simplifying the internal revenue system, and relieving the general industry of the country from a burden of taxation which must inevitably result in disaster. No industrial interest in the country can better sustain the burden of taxation than distilled spirits. The pre-cedent of all other countries are uniform in favor of taxing spirits to the maximum con-sistent with revenue; and while any relaxation of the law on the one hand does not benefit the customer, its stringent enforce ment with a regulation of the business will not diminish the amount which appetite or industrial necessity demands for consump

As the present rate of tax imposed upon fermented liquors—viz., one dollar per barrel of thirty-one gallons—is in excess of the rate imposed by any of the States of Europe, Austria excepted, and as the present rate moreover, in the opinion of the Commission after full consideration, is believed to be fully up to the revenue standard, and a such is all but unanimously acquiesced in by the brewing interest of the country, they would, therefore, recommend that the exist ing rate be neither increased nor dimir

The determination of the proper mode collecting the tax on fermented liquors, and preventing the large amount of fraud which has heretofore, undoubtedly, been committed in regard to the same, has been to the Commission a subject of no little difficulty.

By reference to their Special report (No.6) it will be seen that a tax on malt in this country is not practicable; neither is the plan, also investigated by the Commission of gauging and assessing liquor, either in "coppers" during the process of manufac-ture, or subsequently while in the fermenting vats. Abandoning both of these me thods, therefore, they have, with the concurrence and assistance of the leading brewers of the country, devised a plan for collecting the tax by means of a stamp printed on insoluble parchment paper, to be flixed to each barrel sold and removed quirement that the same be canceled by the retailer or consumer.

Specimens of the stamps designed for this purpose have been prepared for submission to Congress, while the full details of the plan for using them are given in the special report referred to. With the adoption of this system, and the retention of the present rate of excise, the Commission estimate that the Government may rely upon an immediate annual revenue from fermented iquors of at least five millions of dollars, The attention of the Commission has been specially given to the cotton product of the United States as a source of revenue, and hey would refer to their special report No. 3) and also to the testimony accom panying the same, as embodying all the in-formation requisite for the formation of a orrect opinion on this subject. As the esult of their investigations, the committee

recommend that a tax of five cents per pound be levied on and after July 1, 1866 upon all cotton the product of the United States; and that the same be collected of the manufacturer at the place of consumption and of the merchant or factor at the port o export upon all foreign shipments. Such a olan will not interfere with the growth and cultivation of this staple, or its free move ment throughout the country, and, will re duce the machinery and the expenses of ollection to their minimum.

The above proposed rate of taxation on cotton, it is believed, will not prove in any degree detrimental to any national interest and will yield a revenue, at twenty-two dol-lars per bale, of twenty-two millions of dolfor every million of bales, produced and sold for consumption. With a crop of three millions of bales, and a tax of five per cent per pound, the Government might deannual revenue of \$66,000,000; or of \$8,000,000 on a crop of four millions of hales, which would be less than the crop of 1859-'60. Of this sum-if the consumption of the United States shall reach, in either of these years, the consumption of 1860-the inhabitants of the United States would pay about \$21,000,000; and it is believed that there are few taxes which can be levied which would be so slight a burden to the consumer. The consumption of cotton per head in the United States, at the highest point ever attained to, has not exceeded twelve pounds. A tax of five cents per pound would, therefore, be an average of about sixty cents to each individual per annum. (See special report, No. 3.) As the crop of the present year, in the opinion of competent persons consulted by the Commission, is not likely to be less than two millions of bales—and if good seed can be obtained may exceed this figure—the Com-mission are of the opinion that the Govern-ment may safely rely for the fiscal year ending June 30, 1867, upon a revenue from this source of at least forty millions of dollars, and for the future an average revenue from cotton of at least fifty millions of dollars may nndoubtedly be relied upon.
In respect to tobacco, the Commission, as

he result of their investigations, are unanimously of the opinion that the tax should not be laid upon the leaf.

The total amount received in 1865 from

tobacco and its manufactures was \$11,387,799. The amount received from tobacco in 1865 would, undoubtedly, have been much greater had it been possible to prescribe efective revenue regulations respecting th immense stock of tobacco held in the Southern States at the close of the rebellion.

The average annual taxable production of the different kinds of manufactured tobacco from September 1, 1862, to June 30,1885, was 42,809,168 pounds. This amount, at the present rate of excise, would return an annual revenue of \$15,736,795. With some amendations and the second of \$15,736,795. ment of the present law, and with the ex-haustien of the stock in the country, made in anticipation of the tax, which is now nearly effected, the Commission believe that the government may safely rely upon an annual revenue from this source for the im-mediate future of at least eighteen millions

Although in many respects an obnoxious tax, yet falling as it does mainly upon accumulation, it will probably besustained with less detriment to the country than any other form of taxation, the excise on spirit-

Commission are of the opinion, that, making all allowances for a certain amount of illicit excess of \$5,000 is, however, unjust, being in distillation, which, under any circumstances, fact a tax on the results of successful industry and business enterprise; and the Com-mission recommend that this discrimination

be abrogated, and the rate be equalized. They recommend that, in the future assessment of income, one thousand dollars be exempted from taxation, and that, in assessing the income tax, no allowance whatever be made for house rent, or at least that the amount allowed to be deducted for rental should not in any case be allowed to exceed three hundred dollars.

For the future, with the changes above ecommended, the Committee believe that the government may safely rely on an an-nual revenue from this source of about fifty millions of dollars.

From the excise on banks and railroads. the amount received during the fiscal year 1865 was \$13,579,594, and the Commission assume the collection of a similar amount for

the immediate future. By the amended act of March 3, 1865, a duty was imposed of one dollar on each barrel of crude petroleum of forty-five gallons. The amount received from the time the tax went into effect until the close of the fiscal year ending June 30, 1865, was \$229,546 10. For reasons which will be found in detail in the Special Report (No. 7) on this subject the Commission recommend that the tax as thus imposed on crude petroleum be re-pealed, and that the rates of tax on refined coal oil, petroleum, naphtha, benzole, &c., be

retained as at present.

They are also of the opinion that when the uses of all the elements of petroleum, and of the distillates of oil yielding coal and shale have been more fully developed, i will be possible for the government to de-ive a much larger revenue from these artiles, with a much lower rate of excise than s now imposed.

For the next fiscal year, the Commission believes that a revenue in excess of \$3,000. 000 may be relied on from refined coal oi and petroleum.

Under the present excise law a tax of wenty-four cents per gallon is imposed upon spirits of turpentine, and six per cent. ad valorem on rosin.

It is represented to the Commission that the tax as at present imposed upon rosin and distilled turpentine is unequal and oppressive; but as the supply of these arti-cles from the United States to a great ex-tent controls the prices of the world, they are of the opinion that the tax on spirits of turpentine and rosin should not be wholly remitted, and that no drawback on their export to foreign countries be allowed.

The most important results in this de-partment of the revenue flow from the smallest stamp taxes universally diffused. Thus one-third of the revenue received from stamps in the fiscal year 1865 were derived from the three items of "bank check,"
"receipt" and "match stamps;" and from the first two (bank check and receipt stamp) the receipts for the fiscal year 1866 average about \$200,000 per month.

The high prices of paper, colors and other materials have considerably reduced the demand for cards within the last four years; but it is the opinion of a committee of card manufacturers, as presented to the Commission, that with a uniform stamp tax of five cents per pack an annual revenue o at least \$200,000 may be derived from this

With this and some other amendment relating to proprietary medicines and simi-lar stamped articles, the Commission are of the opinion that a revenue of at least twenty millions of dollars may behereafter collected from stamps.

The Commission submit the form of a bill

intended to render the execution of the pre sent law more effectual, and they are of th opinion that with its adoption, or by the enactment of some equivalent provisions, revenue of at least three millions of dollar may be secured from this source. The value of the whole real estate and

The value of the whole real estate and personal property in the United States in 1860 was upwards of sixteen thousand millions of dollars (\$16,159,000,000). Allowing thirty-two years as the lifetime of a generation, and assuming the legacy and sion duty at an average of one per cent., the receipts from this source should yield an nually five millions of dollars. From gross receipts the revenue for the fiscal year, 1865, was \$9,697,866. Under this head are included, mainly, the taxes levied on transportation and intercommunication

and as the majority of them, railroads excepted, yield but inconsiderable amounts, are in opposition to the general system of revenue, which the Commission recommended, sound policy requires that they should be repealed as soon as practicable. Under this head are also included tele graph and express companies, the former o

which pay five per cent. and the latter but three per cent. on the gross amount of their receipts. For this discrimination the Commission can see no good reason. Expres companies, as at present constituted, are for the most part, monopolies, and the ave rage rate of profits paid by them is be lieved to far exceed the ratio of profits in almost any legitimate business. The Commission, therefore, recommend that the tax on the gross receipts of telegraph and express companies be equalized, and are in clined to the opinion that the tax on re ceipts of express companies might be wel advanced to a higher figure than five per cent. An increased revenue from such ar advanced rate will compensate in some de gree for any reductions that may be made on the taxes now levied on bridges, toll roads, ferries, ships, &c.

The revenue receipts from telegraph com panies for the fiscal year 1865 were \$215, 050 62; and from express companies \$529,275 89.

Under the present law (section 120) the dividends and interest upon the bonds of certain corporations therein enumerated are made liable to the income tax, which is pay able by the proper officers of such corporations. The Commission are unable to dis cover any valid reason why the moderate dividends of banks and railroad companies should be thus taxed, while the larger pro-n s of express companies, manufacturing and other corporations are omitted. As thes returns are invariably made by an officer who has no pecuniary interest therein, it is believed that they are uniformly more nearly correct than the average returns of incom by individuals; and they therefore recom mend an amendment of the law, which wil include in the provisions of the above se tion all important incorporated companies for whatever purpose organized. The Commission assume that the revenue derivable from gross receipts for the fiscal year ending June 30, 1867, will continue as

t present, about \$9,000,000. The Commission recommend that the present law imposing a tax of five dollars on every ten thousand dollars, or onetwentieth of one per cent, on the par value of all stocks sold, be repealed, and in lies thereof a tax of one dollar on ten thousand dollars, or the one-hundredth (1-100) of one per cent. on the par value of the stock, be

substituted, and collected in the following

manner. That each sale of stock be accompanied by a bill or memorandum of sale, with the ecessary stamp attached; and in default of affixing the necessary and required stamp on such bill of sale, the parties selling the stock and receiving the money shall be liable to a penalty—one half to go to the in-former and the remainder to the govern ment-the same to be recoverable time prior to the expiration of twelv months from the date of the transaction. In adopting the principle of subjecting large and frequent business transactions. urning on small profits, to the minimum pecific tax, the government will but follow long recognized and sound commercia

There is at present no tax imposed on government securities, but they are included in the phrase, "stocks, bonds or other se-

curities," of the section (ninety-nine) which subjects brokers' sales to taxation. The Commission believe, however, that it would be a sound and wise policy to exempt all transactions for the sale and purchase of national securities from every form of in-

ternal taxation. The Commission also recommend that the rate of tax levied on the sales of exchange and gold brokers be made to correspond with that proposed in reference to sales of stock brokers, and they submit a form of hill to that effect.

From the aggregate tax on sales, the Commission assume, for the future, an annual revenue of at least four millions of dollars

A recapitulation of the foregoing estimates given us the following aggregate results for the fiscal year ending June 30, 1867: From Customs,

From Excise, viz.:
Distilled spirits, \$40,000,000
Fermented liquors, 5,000,000 ufactures, 18,000,000 Cotton, raw. Coal oil, refined pe-40,000,000 troleum, &c., Spirits turpentine 3,000,000 and rosin, 2,000,000 - 108,000,000 Licenses. 15,000,000 40,000,000 Incomes, . Salaries, 2,000,000 Banks, 15,000,000 Stamps. 20,000,000

Gross receipts,

Legacies and succession, 3,000,000 Miscellaneous receipts, 1866-67, 21,000,000

4,000,000

Aggregate; . . . \$367,000,000 Adding to the above sum the amount received in the fiscal year 1865 from the various direct and indirect taxes on industry, which, excepting the amounts derived from the excise on spirits, beer, tobacco, cotton, petroleum and naval stores, the Commission estimate at about sixty-eight millions of dollars, we have as the gross revenue possi-ble to be derived from all sources, under the present rates, with the amendments above proposed, four hundred and thirty-five mil-

lions of dollars (\$435,000,000). The estimates of the Secretary of the Treasury for the expenditures of the fiscal year ending June 30, 1867, including interest on the public debt, are, as already stated, two hundred and eighty-four millions of dollars. Allowing the annual expenditures to be increased sixteen millions of dollars above these estimates (making an aggregate of three hundred millions of dollars), and setting aside fifty millions additional for the reduction of the principal of the public debt, a surplus will remain (assuming the correctness of the estimates of the commission), applicable for the reduction of taxation of

eighty-five millions of dollars (\$85,000,000). These estimates of revenue as above sub mitted, are less in the aggregate than what the Commission believe will actually be realized, without some unlooked for interruption of the trade and industry of the country; and the results of their continued investigations and enlarged experience deepen their conviction that the capacity of all the great sources of revenue have been

under rather than overestimated. It was the opinion of the late Commisioner of Internal Revenue, founded upon his large experience, that if the excise law. as it stands, were thoroughly and exactly enforced, the revenue from the excise alone would equal or exceed five hundred millions of dollars (\$500,000,000) per annum; and in this opinion the Commission, from their own observation, fully concur. It need, with an increased efficiency and experience on the part of the revenue officers, the average monthly and quarterly receipts of internal revenue also continue progressively

to increase. Accepting, then, the results indicated as substantially correct, the possibility of adopting and carrying out the revenue policy adopted by the Commission, viz: of concentrating the sources of revenue, and of relieving industry of all those burdens

which tend to check its development, is demonstrated. Such a system, which, in contrast with the present "diffused" system, may be termed the "concrete," is, in the opinion of the Commission, the only one adapted to the age and to our condition-the only one comatible with great riscal results, hat large freedom to industry and circulaion which alone can ever adequately supply

and free people.

The Commission recommend that the change be made slowly, and for the present, and to begin July 1, 1866, or sooner, they urge the following changes:

the coffers of an enterprising, competitive

lst. A repeal of section 100 of the amended act of March 3, 1865, (generally known as schedule A); such of its provisions as relate to and impose a tax upon "billiard tables" excepted.

2d. A repeal of all that part of section 94
of the amended act of March 3, 1865, which

ftaxes on repairs of engines, cars, carriages, ships, etc.

3d. A repeal (subject to certain exceptions) of all that part of section 94 which provides for the assessment and collection of

provides for the assessment and collection

axes on wearing apparel. 4th. A repeal of the excise duty of two-dollars and forty cents per ton levied upon pig iron; the repeal of the duty of six cents per ton levied on mineral coal; and of the duty of one dollar per barrel on crude petro-

5th. A repeal of all excise taxes on print-

ed books, magazines, pamphlets, reviews,

and all other similar printed publications. In addition to the reductions above specially referred to and recommended, the Commission would further recommend that, on Saturday the 1st day of July, 1866, the taxes levied and paid upon all goods, wares and merchandise enumerated in section 94 of the amended act of March 3, 1865, be reduced fifty per centum; and that no allowance of deduction whatever in the payment of the same for treight, commissions and other exenses of sale be authorized or permitted. The Commission urge a new treaty of reciprocity with Canada; shows that the business of the New York Custom House is very badly conducted; point out inefficiency in the internal revenue administration, and suggest improvements.

Fossies in Australia.—A petrified tree-was recently found in the Golden Horn-claim, near Geelong, in Australia, at a depth of two hundred and fifty-eight feet. Pieces of the tree examined by the microscope glisten like diamonds. In the same claim, at a depth of two hundred feet, several frogs, imbedged in bluestone, have been disinterred, of a green and yellow color, without any signs of mouth or respiratory organs.

The Kentucky Senate has passed an act toincorporate a negro bank at Louisville, one of the incorporators being worth \$100,000. They put in provision, however, "that the said bank shall have no connection with the Freedmen's Bureau, and that no persons shall be permitted to act as officers who have

The Providence Press makes the statement that a Hartford photographer has succeeded in taking a picture of himself, trundling himself home in a wheelbarrow. There is no difficulty about, provided the artist is beside himself.

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