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CITY COUNCIL—OFFICIAL

SPECIAL MEETING.

City Hall, New Orleans, October 17, 1870.

A special meeting of the Council was held in accordance with the resolution offered by Mr. Shaw, to receive the report of the delegation appointed by the Council to represent the city at the National Commercial Convention at Cincinnati.

Mayor Flanders called the Council to order at 7 P. M., and presided over the meeting.

There were present: Administrators J. R. West (Improvements), Alfred Shaw (Accounts), L. T. Delassize (Public Buildings), H. Bonzano (Assessments), E. W. Pierce (Police), and J. S. Walton (Finance).

Report of the Cincinnati Delegation.

The delegates were received within the bar, and their chairman, Mr. W. M. Burwell, presented their report, as follows:

To the City Council of New Orleans:

The undersigned, appointed by your honorable body delegates on behalf of the city to the National Commercial Convention, which held its session at the city of Cincinnati from the fourth to the seventh of October, 1870, respectfully report:

That they met a large and respectable assemblage of delegates, representing twenty-five States, and comprehending all the most important interests in the Union.

The object of the convention was to obtain concerted action in Congress in behalf of certain measures of importance to the constituency, and as an incidental, though useful agency, the restoration of a social and business intercourse between the territory of every section of the Union. In pursuance of this object, the present title of the convention was adopted unanimously, and with enthusiasm. The Louisiana delegation voted upon the reasoning that they were sincere in their purpose to support the Union, and that it would be inconsistent to solicit national aid and intersectional intercourse, while maintaining a separate and sectional organization.

They are gratified to add that these declarations were accepted in a spirit of cordial welcome by the whole convention, and manifested itself moreover in the most unequivocal manner, by the hospitalities of the citizens of Cincinnati, and the attentions of delegates from the more Northern and Western States, as well as the unanimous adoption of resolutions recommending the removal of political disabilities incurred during the late civil war. These amicable and confidential relations were established, as they will be secured, by the reciprocal interests represented in the convention. It was the object of those who instituted these conventions to array and interest those reciprocal interests against those antagonistic political elements which divide and distract the country. There are many indications that the moderate and substantial interests of commerce, manufactures and agriculture will reinstate the harmonies of the Union, and obliterate the sectional lines which once divided us.

To this state of harmony may be attributed the fact that every measure in which the State of Louisiana and the city of New Orleans were interested, received the sanction of the convention in such form as the delegations united in asking. It will be proper to confine this report to measures of the character indicated.

REMOVAL OF OBSTRUCTIONS AT THE MOUTH OF THE MISSISSIPPI.

A committee, appointed at a former session, united with a committee appointed at the last session, and the two brought together much practical and scientific knowledge of the subject committed to them. This joint committee reported through their very intelligent chairman, Mr. Clinton B. Fish, of St. Louis, the following resolutions:

Resolved, That all obstructions to navigation at the mouth of the Mississippi river shall be removed at the expense and under the direction of the government.

1. By a continued and conclusive experiment to be made by dredging.

2. That the government of the United States should (if the same be found practicable by a preliminary survey) open a ship canal on the left bank of the Mississippi river, below Fort St. Phillip, into the Gulf of Mexico: such canal to be constructed and maintained at national cost and administered by national authority, to be adequate to the wants of American commerce, free from any charge or impediment, and to constitute a part of the national highway to the ocean.

Resolved, That a special committee, consisting of one member from each of the following cities, to wit: New Orleans, Vicksburg, Memphis, Cairo, St. Louis, Keokuk, Dubuque, St. Paul, Louisville, Cincinnati, and Pittsburg, be appointed by the president of this convention, whose duty it shall be to confer with the government authorities respecting the prosecution of the work of deepening the channels of the river's mouth by the present agencies or other new appliances; the survey for a ship canal, and to awaken a general interest in this much-needed national work among the people of the Mississippi Valley.

The committee offered, as a part of their report, communications from Benjamin Buisson, the venerable and respected engineer of the State of Louisiana, and Captain C. W. Howell, an able officer of the engineer corps of the United States army, now in charge of the steamer Essayons.

These resolutions were unanimously adopted by the convention. It was not the intention of your delegates to interfere with any present or future means employed by the federal government to improve the navigation of this national highway. The resolutions, it will be observed, only add to the means of performing this duty. The suggestion of a canal connecting the Mississippi, at a point near Fort St. Philip, with the Gulf of Mexico, near the Isle Breton, has received the sanction of science and of legislation. It has been indorsed by resolutions of the Louisiana Legislature, the memorial of the Chamber of Commerce of New Orleans, the surveys and estimates of federal engineers made by order of Congress. It has received the approval of such authorities as Buisson, ex-State Engineer of Louisiana, of Governor Hebert and of R. Montaigue, and of William H. Chase, Major United States Engineers, and of many of the most eminent merchants of New Orleans, who have defrayed the expense of examining its merits. These considerations justified the deliberate inquiry whether this canal should be constructed at national expense, and maintained under national superintendence, free to all commerce of the Mississippi.

TO ABOLISH ALL TOLL CHARGES ON THE NAVIGABLE RIVERS OF THE UNITED STATES—WHARFAGE ON NAVIGABLE RIVERS.

These kindred propositions are intended to relieve river commerce of the burdens which now place that interest under such signal disadvantages with respect to the competition of railroads, built, in many instances, with the national aid, and sustained by the capital and enterprise of great cities. The first proposition was introduced by the Board of Trade of Cincinnati, and was intended, no doubt, to open the Louisville canal in free commerce. In this measure New Orleans is deeply interested.

The doctrine has been advanced that a municipal authority furnishing an easement enabling citizens of the United States to exercise their right of access to a navigable river, can not rightfully collect more for the service than the cost of making and maintaining the easement. Hence, the excess of revenue is, in this case, illegally collected.

To this correct statement of the legal question of wharfage is added the vital competition existing between the railroad and river. It is probable that the Common Council of Cincinnati will reduce or remit this tax altogether, in view of the rights and the public interests involved in its collection.

In regard to the second proposition, the steamboat interest at Cincinnati has gone a step further, and proposed to the city itself to remove a small mote which has impeded its vision. The wharfage charges collected on shipping at that port amount annually to about $30,000; the expense of keeping the levee in repair does not exceed $5000.

It has collected $5,000,000 in tolls upon river commerce, and is thus estimated to have extinguished the principal and interest of its cost. It would, therefore, be wise and just in Congress to throw it open without charge, just as the Des Moines canal around the rapids of the Mississippi has been. But the resolutions adopted by the convention embraced a more general scope, and will be found to comprehend all the principal measures of improvement in which the city of New Orleans is interested. The resolutions reported by Governor Stanard, of St. Louis, are as follows:

Resolved, That the free and unobstructed navigation of the rivers of the country is the right of all its citizens, and is indispensable to the cheap transportation of its products and manufactures, and this convention earnestly urges upon Congress the enactment of such laws as will effectually prevent any individual or corporation from obstructing, hindering or delaying the navigation of rivers, and from appropriating any portion of them to their own private use, or for their exclusive benefit.

The committee also reported against the purchase at this time of the Erie Canal, of New York, by the general government.

Also, recommending Congress to appropriate $40,000 of the fund for the improvement of Tennessee river to that portion of the river between Chattanooga and Knoxville.

Also, recommending to Congress an appropriation for the removal of obstructions in Coosa river, Georgia, and connecting that river with the headwaters of the Tennessee.

Also, recommending to the favorable consideration of Congress the purchase of the interest of the company organized for the construction of a canal between the waters of Lake Michigan and the Mississippi river, with a view to the completion of the work.

Also, recommending an appropriation for the removal of the Red river raft, and other obstructions in that stream.

Also, recommending to Congress additional appropriations to complete the improvements of the Mississippi river at Des Moines and Rock Island rapids; the completion of the Louisville and Portland Canal at the falls of the Ohio, and the deepening of the channel at the mouth of the Mississippi.

Also, appropriations for improvements in the Arkansas river, the Missouri river, Upper Mississippi, Minnesota, Tennessee, Ohio and Illinois rivers.

The resolutions in regard to wharfage were as follows:

The charges on the tonnage of the Western rivers by the different municipalities, under the title of wharfage, are exorbitant, operating seriously upon commerce. For instance, the charges of Cincinnati are nine cents; at the city of St. Louis, seven cents; at the city of Memphis, six cents, and at the city of New Orleans, ten cents per ton, on the carrying capacity of every boat for the privilege of touching at its public landing. And, in addition, nearly every village of a few houses, although no improvements may have been made at its public landing, makes some charge for the same privilege.

So great is the aggregation of these charges that each boat pays, under the name of wharfage, from fifteen to twenty cents on every ton of freight she carries. Your committee would also state they believe such a tonnage tax to be specially prohibited by the tenth section of the first article of the constitution of the United States, which prohibits any State, and thereby any city receiving its authority to tax, from imposing any tonnage tax.

Your committee believe, further, that what are known as wharfs upon these rivers partake as much of the character of streets as wharfs, and in equity the expense of maintaining them should be borne by the city and the boats equally. But finding, as we do, that the charges imposed are from five to ten times the amount actually necessary to keep the wharfs in repair, we would most respectfully ask the various municipalities to remove this charge, or to reduce it to an equitable sum, and in the event of their failing or refusing to do so, that, under its constitutional power of regulating commerce between the different States, Congress be requested to pass such laws as will prohibit and protect against unreasonable charges.

REPAIR OF THE LEVEES UPON THE MISSISSIPPI RIVER.

It required no argument to convince the consumers of cotton and sugar that their interest would be promoted by increasing the quantity of those staples produced in the valley of the Mississippi, nor were Western farmers or manufacturers less quick to see the increased demand for their commodities, which the importance of construction and cultivation would create. The resolutions with follow were reported with the approval of the delegate from Louisiana upon the Levee Committee:

Whereas, the reclamation from overflow of the alluvial land lying upon the Mississippi river and its tributaries, in the States of Louisiana, Arkansas, Mississippi, Tennessee and Missouri, is a work of the first importance to the entire nation, and will greatly increase the public wealth and establish the national credit; and

Whereas, The experience of the past demonstrates that this can not be accomplished through separate State action; therefore, be it

Resolved, By this convention, that national aid should be liberally and promptly afforded to this enterprise, and such laws enacted by Congress, consistent with the rights of the States, as will place the whole Mississippi levee system under one control.

It is proper to state that, while the convention was of opinion that the control of the whole work should be entrusted to some regular and permanent authority, it did not intend thereby to be understood as indorsing any particular administration of that duty. The resolutions recommend national aid to a proper construction of the work, as a measure of national importance.

SOUTHERN PACIFIC RAILROAD.

The competition which has been for so many years going on among the several cities of St. Louis, Memphis, Vicksburg and New Orleans, for the location of the Southern Pacific Railroad, seems to have been compromised on the principle that the road shall be constructed with national aid, from a port on the Pacific Ocean, perhaps San Diego, crossing, at El Paso, in Texas, and upon, or near, the thirty-second parallel of north latitude, to some point as nearly equidistant as possible from each of the four cities named. From this point each of these cities will have the same federal appropriations per mile, with the same grant of public lands, when within the national domain, with an equal right of connection and use of the main trunk line to the Pacific. It is plain that under this arrangement New Orleans will have facilities of connecting with the Pacific Trunk Railroad by way of Shreveport, or of Houston. The passage of a bill on the basis of this principle was said to have been defeated at the last session of Congress by some unimportant impediments, which will yield before the weight of the great interests concentrated in its favor. The resolutions adopted by the convention were understood to have met the approval of the entire Louisiana delegation. They were as follows:

Resolved, That the construction of a railway from the Mississippi river to the Pacific ocean near the thirty-second parallel, upon the line indicated by the Legislatures of Texas, New Mexico, Arizona and California, and substantially indorsed by the Southern Commercial Conventions held at New Orleans, Memphis and Louisville, and more recently by the State of Texas, which shall be so constructed as to connect by branches terminating at Memphis, Vicksburg and New Orleans, with the railway system of the Gulf States, and at the same time secure to all connecting roads equal reciprocal advantages in the transmission of freight and passengers from the point of intersection with the main trunk line to the Pacific coast, is a national work of the highest importance, necessary to the restoration of the commerce of the South, tending to harmonize the different sections of the country, and promote the development of its material wealth, and it is therefore eminently entitled, upon every consideration of expediency and public justice, to the same aid from the general government which has been so munificently extended to the Central and Northern Pacific railways.

DIRECT AND RECIPROCAL TRADE WITH BRAZIL AND OTHER SOUTH AMERICAN COUNTRIES.

It is particularly gratifying that this measure originated from the Upper Mississippi, and was sustained by the entire West and North. The immense growth of the West, and the rapid development of its agriculture and manufactures, demands a larger market than even that afforded by the Southern States. It is, then, natural that statesmen and merchants should inquire for a market beyond that which is limited by the present commercial bounds of the republic. The committee on this subject reported the following resolution:

Resolved, That the great importance of the project of encouraging and building up reciprocal trade between the United States and Brazil and other South American States, demands the careful consideration of Congress, and to the end that the advantages to accrue therefrom to our country may be more fully impressed upon the national legislature, the Hon. Peter Clark, of New York, Hon. James E. Fletcher, of Missouri, and W. M. Burwell, of New Orleans, are hereby authorized to prepare a memorial on the subject for presentation to Congress at its next session.

It is thus made the duty of a permanent committee on the subject to sit during the recess of the convention and to impress this important subject upon the attention of Congress. As a summary of the policy proposed, it may be stated: 1. The review of the treaties of commerce between the United States and the American States, and European powers which govern the American colonies to the south of the United States. 2. The establishment of postal steam service by national subvention from Southern, Gulf and Atlantic ports to the principal ports in Europe and America. 3. The adoption of an American continental policy, which will enable the people of the United States to participate on terms of reciprocity in the commerce of those continental countries, the integrity of whose government the United States now guarantees.

In this connection it may be mentioned that a just discontent was manifested toward the Spanish government, which, indebted to the strict neutrality of the United States for the continued possession of Cuba, has imposed an additional and excessive tax upon the introduction of American products. The political relations between the United States and Spain would seem to demand some relaxation, on the part of the latter, of the selfish and suspicious policy which belonged to an earlier era of commerce.

The delegation might here close its report, but they could not feel relieved from the duty confided to them did they not call your attention to another class of measures, which, though in themselves perfectly proper, must yet militate against the interests of the city of New Orleans. While, therefore, it would not have been just or honorable to make opposition to those measures in a convention assembled for equal justice to all, it is yet perfectly right that the city of New Orleans should adopt a competitive policy calculated to insure for her citizens an equal participation in the common commerce.

There can certainly be no impropriety if the scouts come in and warn those in command that a movement is going on which may involve injury to the cause. Some of the measures referred to are as follows:

Obstructions to navigation by narrow span bridges.

Continuous water line between the Mississippi river and the Atlantic seaboard.

The enlargement of the more important lines of canal in the United States, so as to make them navigable for vessels propelled by steam.

That all railway viaducts over navigable rivers be made highways for railroad companies which will pay them pro rata toll on the same, and that efforts be made to secure legislation to that effect.

Improvement of seacoast harbors.

Ample railroad facilities from the Ohio river to the central South.

Capital and science, which have everywhere wrought such wonderful changes in the map of commerce, have produced important modifications in the geographical position of New Orleans. Once the Balize was the only outlet for the commerce of the empire drained by the Mississippi. Now, this commerce is unequally divided with the St. Lawrence river; the Grand Canada Trunk Railroad, with its Portland terminus; the New York and Erie Canal; the Erie Railroad; the New York Central Railroad; the Pennsylvania Central Railroad; the Pennsylvania Canal; the Baltimore and Ohio Railroad; the Memphis and Norfolk Railroad; the Memphis and Charleston Railroad.

These lines are engaged in an active competition among themselves, and this makes a combined competition against the Mississippi outlet. By these lines the provisions destined for consumption in the Eastern States are carried directly across the great rivers of the Mississippi and Ohio. Indeed, the power of railroad transportation is so far developed that the cities of New York and Chicago complain of the direct carriage of provisions to the consumers of New England and other Atlantic States, while the same tendency is manifested to conduct the provision trade between Western cities and the interior of Alabama, Mississippi and Georgia.

To impress upon your mind the formidable character of that competition, it may be mentioned that more than six million tons have been last year carried, by artificial ways, across the Ohio and Mississippi rivers, and the territory which lies between the interior and the Atlantic. The foreign and domestic values imported into the West by these direct lines is immense. The foreign imports into the United States for the year ending first July, 1869, was $392,413,575. Of this there was imported direct into New Orleans less than $14,000,000. Her coastwise imports may be safely stated at $50,000,000 more. Thus there was more than three hundred and seventy-five millions of value imported into other ports than New Orleans. A very large proportion, then, of these imported values must have been received at the Eastern Atlantic ports, and sent by rail and canal directly into the Western interior.

Again, we have another indication of the limited value of Western produce, which now seeks a market for export from the mouth of the Mississippi. Among the principal exports of Western produce from New Orleans during the year ending September, 1870, were as follows: Flour, 228,879 barrels, of which 100,102 went to Cuba; corn, 152,227 bushels; wheat, 417,244; tobacco, 14,062 hogsheads.

Such examples show how small a portion of the great products of the West find an outlet to the European markets by the port of New Orleans, and how vast are the values imported and exported, which now cross over our mighty rivers and the lofty mountains, once deemed an impassable barrier to all direct commerce.

It is not for your delegates at this moment to do more than remind your honorable body of the vast crevasse by which a trade once deemed the inevitable property of New Orleans, is now rushing to the Eastern Atlantic outports. Such a paper might well emanate from a department or committee of your honorable body, as a measure of counsel and co-operation with the merchants and property-holders of the city. We may say, in conclusion, that the situation only imposes upon New Orleans the duty of adopting all the means of modern commercial progress, and applying to her own relief the very inventions which have arrested her advance in population and wealth.

With appropriate expressions of respect for the confidence implied in their selection and appointment by your honorable body, the undersigned, on behalf of the delegates from the city of New Orleans to the National Commercial Convention at Cincinnati, respectfully subscribe themselves.

WILLIAM M. BURWELL,
D. C. LABATT,
E. C. HANCOCK,
JAMES KERR, JR.,
MARION A. BAKER,
L. J. HIGBY.

Mr. Burwell said the Council would perceive that the report was divided between subjects which the city of New Orleans was directly interested in promoting, and those which it was her interest to counteract by a proper policy. The question of levee dues was attracting the most serious attention. Both Mr. Emley, Administrator of Commerce, and himself had been called upon to address a public meeting on the subject. It was urged that there was no more reason why a boat should pay heavy tonnage dues for tying up to a wharf than a horse and cart should pay a heavy tax for tying up to a post. Excessive levee dues were driving commerce from the rivers and carrying it to the railroads. When he saw that magnificent bridge which was being constructed across the Ohio river, at a cost of so many millions of dollars, he felt that the time was not far distant when the railroad traveler would cross the broadest river without having to look up from his newspaper, and when people would say: "If we have rivers to transport the commerce of the country, and can not use them without these heavy charges, let us build more railroads, and if the river comes in the way of the railroad, why not stop the river?" The people of New Orleans were deeply interested in this question, and it was well for the Council, who were the guardians of the commerce of the city, to look the subject in the face. The ad valorem tax on a first-class Mississippi boat was six per cent of her cost. Take any one of these boats, and it was not run at less than three and a half per cent for mere river dues. He had known cases where boats would not even round-to at Memphis, because the business was not enough to pay the tolls. People paid taxes in cities, but for those taxes they had public schools, the protection of the police, and all the comforts of government. Commerce, on the other hand, was required to pay taxes simply for the privilege of traveling on the rivers, which were God's highways. The city of Mobile had taken off these river charges, and pointed with pride to the large produce business that she was doing in consequence.

The Mayor asked if there was any complaint made by any one with regard to the wharfage charges of New Orleans.

Mr. Burwell said there was. It was stated that one steamboat firm alone paid annually in this way a sum of money which he would not repeat, because he thought it incredible. The principal complaint, however, was as to the charges made by the smaller towns.

Mr. Shaw moved that the remarks of Mr. Burwell as well as the report of the delegates be printed in the proceedings of the Council, and he offered the following resolution:

Resolved, That the thanks of this Council are tendered to the delegates who have represented the city of New Orleans in the National Commercial Convention, recently held in Cincinnati, for the able and satisfactory manner in which they have performed their duties.

Unanimously adopted.

By General West:

Whereas, Since the last session of this Council the death of General Robert E. Lee has been announced; and

Whereas, The people of New Orleans, almost without distinction, propose by public meeting to-morrow evening, to pay a tribute of respect to his memory; be it

Resolved, That the City Council testify its respect to this general public sentiment, and its appreciation of the eminence of Robert E. Lee as a soldier, and of his virtues as a man, by postponing its regular meeting of to-morrow evening.

Unanimously adopted.

The Council then adjourned subject to call.

H. CONQUEST CLARKE,
Secretary.

An actor, and a popular performer, has just received a severe lesson in Boston. Mr. Fetcher, the manager of the Globe, came before the curtain and said: "Ladies and gentlemen, Mr. —— has only just this moment arrived at the theatre, and, I am ashamed to say, in such a condition that I can not permit him to appear before you. Mr. ——, if you will kindly allow it, will read the part." The erring actor, it is stated, was summarily discharged. This may seem hard, but is it not also hard that the evening's entertainment of an expectant crowd should be spoiled by the indiscretion of the player?

In New York, this season, a great many large dancing classes are being formed by young ladies and gentlemen in fashionable social circles, which are to meet at the houses of the different members. The rules are to be strictly enforced. Gentlemen are to wear frock coats; the ladies plain dresses, short or long, as they please. Refreshments to consist only of cakes and lemonade; one musician at the piano, for which the gentlemen are to pay, and they are to come at eight and go home at eleven.

A prominent merchant of Cincinnati, who took too much Catawba in his oysters at the commercial banquet, observed to his next neighbor, a New Orleans cotton broker, "Now, isn't this splendid? Isn't it enormous? But it pays, sir, it pays. There's at least five hundred people in town. They stay five days. They drop fifty dollars apiece behind them. That's twenty-five thousand dollars. Eh? Well, this here thing—grand as it is—didn't cost but forty-two hundred."

REPUBLICAN PLATFORM.

The Republican State Convention of Louisiana, which assembled in the city of New Orleans on the eighth of August, 1870, adopted the following declaration of principles:

1. That we indorse the principles of the national Republican party as set forth in the Chicago platform of 1868, and in the adoption of the fifteenth constitutional amendment and laws to inforce the same.

2. That we adhere to the principles of equal rights to all mankind, whether at the ballot box, in the public schools or in the pursuit of business, without distinction of caste, race or nationality; and we pledge ourselves to the enactment and enforcement of laws to carry out this principle.

3. That no government is republican unless its citizens can exercise the free right of suffrage, and we pledge the whole strength of the Republican party of this State to aid the executive officers in securing to every voter his inalienable right to cast his ballot at the polls for such candidates as he may select.

4. That manhood and not money makes the true citizen; that the poor man should be protected equally with the wealthy, and, therefore, we pledge ourselves to the enactment of a liberal homestead exemption law.

5. That we are a party of law and order, and as such will use our earnest endeavors to carry out the literal intent of the constitution of 1868, and laws enacted thereunder; that the constitutionality of any law can only be questioned before the courts, and that all good citizens must obey the provisions of every law until declared null by the highest judicial tribunal.

6. That as the party of progress, we encourage internal improvements, the expansion of our commerce, the full development of our material resources, and the immediate rebuilding of the levees.

7. That special legislation too often tends to encourage corruption and to subvert good government, and we pledge ourselves to use our best endeavors to check and ultimately abolish it.

8. That we will sustain and support the President of the United States, the Governor of this State, and all of their subordinate officers, in all efforts they may make to protect the lives, property and liberty of our citizens, in an honest and economical administration of the affairs of government, and in the maintenance and enforcement of the great political principles of Republicanism as declared in our party platforms.

9. That we heartily approve of the action of our Senators and Representatives in Congress in the efforts they are putting forth to obtain national aid for the rebuilding of the levees, and the construction of railroads, and the opening of our harbors, and that we pledge them our support in similar labors in the future.

10. That we invite all citizens who believe in the elevation of mankind, in the principles of universal liberty, equality and justice, in the suppression of lawlessness and crime, and the enforcement of law and order, in an economical administration of government, in the elevation of honest and capable men to office, to join with us in making our State prosperous and happy under such principles.

11. That we pledge the support of the Republican party of the State to the nominees of this convention, and will use all honorable means to secure their election.

OFFICIAL.

LAWS OF THE UNITED STATES.

Passed at the Second Session of the Forty-first Congress.

[Public—No. 164.]

AN ACT to reduce internal taxes, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the first day of May, eighteen hundred and seventy-one, the special taxes imposed by the seventy-ninth section of the act entitled "An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," approved June thirty, eighteen hundred and sixty-four, as amended by section nine of the internal revenue act approved July thirteen, eighteen hundred and sixty-six, and as amended by section two of the internal revenue act approved March two eighteen hundred and sixty-seven, be and the same are hereby repealed: but this act shall not be held to repeal or in any way affect the special tax on brewers imposed by said section, or the special taxes imposed by the act approved July twenty, eighteen hundred and sixty-eight, entitled "An act imposing taxes on distilled spirits and tobacco, and for other purposes," or the acts amendatory thereof.

Sec. 2. And be it further enacted, That on and after the first day of October, eighteen hundred and seventy, the several taxes on sales imposed by the internal revenue laws now in force, saving and excepting such taxes on sales as are by existing law paid by stamps, and the taxes on sales of leaf tobacco, manufactured tobacco, snuff, cigars, foreign and domestic distilled spirits, and wines, imposed by said act, approved July twenty, eighteen hundred and sixty-eight, and acts amendatory thereof, be, and the same are hereby, repealed.

Sec. 3. And be it further enacted, That on and after the first day of October, eighteen hundred and seventy, the taxes imposed by the internal revenue laws, now in force, herein specified, be, and the same are hereby, repealed, namely: on articles in schedule A; the special tax on boats, barges, and flats; on legacies and successions; on passports; and on gross receipts.

Sec. 4. And be it further enacted, That on and after the first day of October, eighteen hundred and seventy, the stamp tax imposed in schedule B on promissory notes for a less sum than one hundred dollars, and on receipts for any sum of money, or for the payment of any debt, and the stamp tax imposed in schedule C, on canned and preserved fish, be, and the same are hereby, repealed. And no stamp shall be required upon the transfer or assignment of a mortgage, where it or the instrument it secures has been once duly stamped. And the proprietor or proprietors of articles named in said schedule C, who shall furnish his or their own die or design for stamps to be used especially for his or their own proprietary articles, shall be allowed the following commissions, namely: On amounts purchased at one time of not less than fifty dollars nor more than five hundred dollars, ten per centum on the whole amount purchased: Provided, That lucifer or friction matches, and cigar lights, and wax tapers, may be removed from the place of manufacture for export to a foreign country without payment of tax, or affixing stamps thereto, under such rules and regulations as the Commissioner of Internal Revenue may prescribe; and all provisions of existing laws inconsistent herewith are hereby repealed.

Sec. 5. And be it further enacted, That section one hundred and fifty-eight of the act entitled "An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," approved June thirty, eighteen hundred and sixty four, as amended by section nine of the internal revenue act, approved July thirteen, eighteen hundred and sixty-six, be, and is hereby, amended by striking out the words "fifty dollars" in the second proviso, and inserting in lieu thereof the following: "double the amount of tax remaining unpaid, but in no case less than five dollars;" also, by striking out the words "sixty-six" in the third proviso, and inserting in lieu thereof the words "seventy-one;" also, by striking out the words "sixty-seven" in the last proviso, and inserting in lieu thereof the words "seventy-two."

Sec. 6. And be it further enacted, That there shall be levied and collected annually, as hereinafter provided, for the years eighteen hundred and seventy and eighteen hundred and seventy-one, and no longer, a tax of two and one-half per centum upon the gains, profits and income of every person residing in the United States, and of every citizen of the United States residing abroad, derived from any source whatever, whether within or without the United States, except as hereafter provided, and a like tax annually upon the gains, profits and income derived from any business, trade or profession carried on in the United States by any person residing without the United States, and not a citizen thereof, or from rents of real estate within the United States owned by any person residing without the United States, and not a citizen thereof.

Sec. 7. And be it further enacted, That in estimating the gains, profits, and income of any person, there shall be included all income derived from any kind of property, rents, interest received or accrued upon all notes, bonds, and mortgages, or other forms of indebtedness bearing interest, whether paid or not, if good and collectable, interest upon notes, bonds, or other securities of the United States; and the amount of all premium on gold and coupons; the gains, profits, and income of any business, profession, trade, employment, office, or vocation; including any amount received as salary or pay for services in the civil, military, naval, or other service of the United States, or as senator, representative or delegate in Congress; except that portion thereof from which, under authority of acts of Congress previous hereto, a tax of five per centum shall have been withheld; the share of any person of the gains and profits, whether divided or not, of all companies or partnerships, but not including the amount received from any corporations whose officers, as authorized by law, withhold and pay as taxes a per centum of the dividends made, and of interest or coupons paid by such corporations; profits realized within the year from sales of real estate purchased within two years previous to the year for which income is estimated; the amount of sales of live stock, sugar, wool, butter, cheese, pork, beef, mutton or other meats, hay and grain, fruits, vegetables, or other productions, being the growth or produce of the estate of such person, but not including any part thereof consumed directly by the family; and all other gains, profits and income drawn from any source whatever, but not including the rental value of the homestead used or occupied by any person, or by his family.

Sec. 8. And be it further enacted, That military or naval pensions allowed to any person under the laws of the United States, and the sum of two thousand dollars of the gains, profits and income of any person, shall be exempt from said income tax, in the manner hereinafter provided. Only one deduction of two thousand dollars shall be made from the aggregate income of all the members of any family composed of one or both parents and one or more minor children, or of husband and wife; but when a wife has by law a separate income, beyond the control of her husband, and is living separate and apart from him, such deduction shall then be made from her income, gains and profits; and guardians and trustees shall be allowed to make the deduction in favor of each ward or beneficiary except that in case of two or more wards or beneficiaries comprised in one family, having joint property interest, only one deduction shall be made in their favor. For the purpose of allowing said deduction from the income of any religious or social community holding all their property and the income therefrom jointly and in common, each five of the persons composing such society, and any remaining fractional number of such persons less than five over such groups of five, shall be held to constitute a family, and a deduction of two thousand dollars shall be allowed for each of said families. Any taxes on the incomes, gains and profits of such societies now due and unpaid, shall be assessed and collected according to this provision, except that the deduction shall be only one thousand dollars for any year prior to eighteen hundred and seventy.

Sec. 9. And be it further enacted, That in addition to the exemptions provided in the preceding section, there shall be deducted from the gains, profits and income of any person all national, State, county and municipal taxes paid by him within the year, whether such person be owner, tenant or mortgager; all his losses actually sustained during the year arising from fires, floods, shipwreck, or incurred in trade, and debts ascertained to be worthless, but excluding all estimated depreciation of values; the amount of interest paid during the year, and the amount paid for rent or labor to cultivate land, or to conduct any other business from which income is derived; the amount paid for the rent of the house or premises occupied as a residence for himself or his family, and the amount paid out for usual and ordinary repairs. No deduction shall be made for any amount paid out for new buildings, permanent improvements, or betterments made to increase the value of any property or estate.

Sec. 10. And be it further enacted, That the tax hereinbefore provided shall be assessed upon the gains, profits, and income for the year ending on the thirty-first day of December next preceding the time for levying and collecting said tax, and shall be levied on the first day of March, eighteen hundred and seventy-one and eighteen hundred and seventy-two, and be due and payable on or before the thirtieth day of April in each of said years. And in addition to any sum annually due and unpaid after the thirtieth day of April, and for ten days after notice and demand thereof by the collector, there shall be levied and collected, as a penalty, the sum of five per centum on the amount unpaid, and interest on said amount at the rate of one per centum per month from the time the same became due, except from the estates of deceased, insane, or insolvent persons.

Sec. 11. And be it further enacted, That it shall be the duty of every person of lawful age, whose gross income during the preceding year exceeded two thousand dollars, to make and render a return on or before the day designated by law, to the assistant assessor of the district in which he resides, of the gross amount of his income, gains, and profits as aforesaid; but not including the amount received from any corporation whose officers, as authorized by law, withhold and pay as taxes a per centum of the dividends made and of the interest or coupons paid by such corporation, nor that portion of the salary or pay received for services in the civil, military, naval, or other service of the United States, or as senator, representative or delegate in Congress, from which tax has been deducted, nor the wages of minor children not received; and every guardian and trustee, executor or administrator, and any person acting in any other fiduciary capacity, or as resident agent for, or copartner of, any nonresident alien, deriving income, gains and profits from any business, trade or profession carried on in the United States, or from rents of real estate situated therein, shall make and render a return as aforesaid to the assistant assessor of the district in which he resides of the amount of income, gains and profits of any minor or person for whom he acts. The assistant assessor shall require every such return to be verified by the oath of the party rendering it, and may increase the amount of any return, after notice to such party, if he has reason to believe that the same is understated. In case any person having a gross income as above, of two thousand dollars or more, shall neglect or refuse to make and render such return, or shall render a false or fraudulent return, the assessor or assistant assessor shall make such return, according to the best information he can obtain by the examination of said person, or of his books or accounts, or by any other evidence, and shall add, as a penalty, to the amount of the tax due thereon, fifty per centum in all cases of willful neglect or refusal to make and render a return, and one hundred per centum in all cases of a false or fraudulent return having been rendered. The tax and the addition thereto as penalty shall be assessed and collected in the manner provided for in cases of willful neglect or refusal to render a return, or of rendering a false or fraudulent return. But no penalty shall be assessed upon any person for such neglect or refusal, or for making or rendering a false or fraudulent return, except after reasonable notice of the time and place of hearing, to be regulated by the Commissioner of Internal Revenue, so as to give the person charged an opportunity to be heard; provided, that no collector, deputy collector, assessor, or assistant assessor shall permit to be published in any manner such income returns, or any part thereof, except such general statistics, not specifying the names of individuals or firms, as he may make public, under such rules and regulations as the Commissioner of Internal Revenue shall prescribe.

Sec. 12. And be it further enacted, That when the return of any person is increased by the assistant assessor, such person may exhibit his books and accounts, and be permitted to prove and declare, under oath, the amount of income liable to be assessed; but such oath and evidence shall not be conclusive of the facts, and no deductions claimed in such cases shall be allowed until approved by the assistant assessor. Any person may appeal from the decision of the assistant assessor, in such cases, to the assessor of the district, and his decision thereon, unless reversed by the Commissioner of Internal Revenue, shall be final. The form, time, and manner of proceedings shall be subject to regulations to be prescribed by the Commissioner of Internal Revenue.

Sec. 13. And be it further enacted, That any person, in his own behalf, or as such fiduciary or agent, shall be permitted to declare, under oath, that he, or his ward, beneficiary, or principal, was not possessed of an income of two thousand dollars, liable to be assessed according to the provisions of this act; or may declare that an income tax has been assessed and paid elsewhere in the same year, under authority of the United States, upon his income, gains, and profits, or those of his ward, beneficiary, or principal, as required by law; and if the assistant assessor shall be satisfied of the truth of the declaration, such person shall thereupon be exempt from income tax in the said district.

Sec. 14. And be it further enacted, That consuls of foreign governments who are not citizens of the United States shall be exempt from any income tax imposed by this act which may be derived from their official emoluments, or from property in foreign countries: Provided, That the governments which such consuls may represent shall extend similar exemption to consuls of the United States.

Sec. 15. And be it further enacted, That there shall be levied and collected for and during the year eighteen hundred and seventy-one a tax of two and one-half per centum on the amount of all interest or coupons paid on bonds or other evidences of debt issued and payable in one or more years after date, by any of the corporations in this section hereinafter enumerated, and on the amount of all dividends of earnings, income, or gains hereafter declared, by any bank, trust company, savings institution, insurance company, railroad company, canal company, turnpike company, canal navigation company, and slack-water company, whenever and wherever the same shall be payable, and to whatsoever person the same may be due, including non-residents, whether citizens or aliens, and on all undivided profits of any such corporation which have accrued and been earned and added to any surplus, contingent, or other fund, and every such corporation having paid the tax as aforesaid, is hereby authorized to deduct and withhold from any payment on account of interest, coupons and dividends an amount equal to the tax of two and one-half per centum on the same; and the payment to the United States, as provided by law, of the amount of tax so deducted from the interest, coupons and dividends aforesaid, shall discharge the corporation from any liability for that amount of said interest, coupons or dividends, claimed as due to any person, except in cases where said corporations have provided otherwise by an express contract; Provided, That the tax upon the dividends of insurance companies shall not be deemed due until such dividends are payable, either in money or otherwise; and that the money returned by mutual insurance companies to their policy-holders, and the annual or semi-annual interest allowed or paid to the depositors in savings banks or savings institutions, shall not be considered as dividends; and that when any dividend is made, or interest as aforesaid is paid, which includes any part of the surplus or contingent fund of any corporation which has been assessed and the tax paid thereon, or which includes any part of the dividends, interest, or coupons received from other corporations whose officers are authorized by law to withhold a per centum on the same, the amount of tax so paid on that portion of the surplus or contingent fund, and the amount of tax which has been withheld and paid on dividends, interest, or coupons so received, may be deducted from the tax on such dividend or interest.

Sec. 16. And be it further enacted, That every person having the care or management of any corporation liable to be taxed under the last preceding section, shall make and render to the assessor or assistant assessor of the district in which such person has his office for conducting the business of such corporation, on or before the tenth day of the month following that in which any dividends or sums of money become due or payable as aforesaid, a true and complete return, in such form as the Commissioner of Internal Revenue may prescribe, of the amount of income and profits and of taxes as aforesaid; and there shall be annexed thereto a declaration of the president, cashier, or treasurer of the corporation, under oath, that the same contains a true and complete account of the income and profits and of taxes as aforesaid. And for any default in the making or rendering of such return, with such declaration annexed, the corporation so in default shall forfeit, as a penalty, the sum of one thousand dollars; and in case of any default in making or rendering said return, or of any default in the payment of the tax as required, or of any part thereof, the assessment and collection of the tax and penalty shall be in accordance with the general provisions of law in other cases of neglect and refusal.

Sec. 17. And be it further enacted, That sections one hundred and twenty, one hundred and twenty-one, one hundred and twenty-two, and one hundred and twenty-three of the act of June thirty, eighteen hundred and sixty-four, entitled "An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," as amended by the act of July thirteen, eighteen hundred and sixty-six, and the act of March two, eighteen hundred and sixty-seven, shall be construed to impose the taxes therein mentioned to the first day of August, eighteen hundred and seventy, but after that date no further taxes shall be levied or assessed under said sections: and all acts and parts of acts relating to the taxes herein repealed, and *that* all the provisions of said acts shall continue in full force for levying and collecting all taxes properly assessed or liable to be assessed, or accruing under the provisions of former acts, or drawbacks, the right to which has already accrued or which may hereafter accrue under said acts, and for maintaining and continuing liens, fines, penalties, and forfeitures incurred under and by virtue thereof. And this act shall not be construed to affect any act done, right accrued, or penalty incurred under former acts, but every such right is hereby saved. And for carrying out and completing all proceedings which have been already commenced or that may be commenced to enforce such fines, penalties, and forfeitures, or criminal proceedings under said acts, and for the punishment of crimes of which any party shall be or has been found guilty.

Sec. 18. And be it further enacted, That the President is hereby authorized to annex to, and unite with each other, two or more adjoining collection districts, whenever in his opinion it will reduce the expenses of collecting the internal revenue, without impairing the efficiency of the service; and thereupon shall retain but one collector and one assessor for such enlarged district. And the President is also authorized to consolidate in like manner, at his discretion, any two or more adjoining supervisors' districts, and to retain or appoint one supervisor for such consolidated district.

Sec. 19. And be it further enacted, That as soon as practicable after the passage of this act the number of assistant assessors employed shall be permanently reduced by the discharge of all officers of that class who are assigned specially to the assessment of any taxes which shall have been abolished by law; and the Commissioner of Internal Revenue shall be required further to reduce the number of assistant assessors in proportion to any reduction of the service of assessment which has been made, or may hereafter be made, by the repeal of any portion of the internal taxes.

Sec. 20. And be it further enacted, That section sixty-seven of an act approved July thirteen, eighteen hundred and sixty-six, entitled "An act to reduce internal taxation, and to amend an act entitled 'An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes,' approved June thirty, eighteen hundred and sixty-four," be amended by inserting after the words "that in any case civil or criminal," the words "at law or in equity;" also, by inserting after the words "if the suit were commenced in the court below by summons," the words following: "subpœna, petition, or by any other form of action except as hereinafter provided;" also, by inserting after the words "or if it were commenced by capias," the words following: "or by any similar form of proceeding by which a personal arrest is ordered."

Sec. 21. And be it further enacted, That after the thirty-first day of December, eighteen hundred and seventy, in lieu *of* the duties now imposed by law on the articles hereinafter enumerated or provided for imported from foreign countries, there shall be levied, collected and paid the following duties and rates of duties, that is to say:

On teas of all kinds, fifteen cents per pound.

On coffee of all kinds, three cents per pound.

On cacao, or cocoa, two cents per pound.

On cocoa leaves or shells, one cent per pound.

On ground or prepared cacao, or cocoa, five cents per pound; and on chocolate, seven cents per pound.

On all molasses, five cents per gallon.

On tank-bottom sirup of sugar-cane juice, melada, concentrated melada, and concentrated molasses, one and one-half cents per pound.

On all raw or muscovado sugar not above number seven, Dutch standard in color, one and three-quarter cents per pound.

On all raw or muscovado sugar above number seven, Dutch standard in color, and on all other sugars not above number ten, Dutch standard in color, two cents per pound.

On all other sugars above number ten, Dutch standard in color, and not above number thirteen, Dutch standard in color, two and one quarter cents per pound.

On all other sugars above number thirteen, Dutch standard in color, and not above number sixteen, Dutch standard in color, two and three-quarter cents per pound.

On all other sugars above number sixteen, Dutch standard in color, and not above number twenty, Dutch standard in color, three and one-quarter cents per pound.

On all sugars above number twenty, Dutch standard in color, and on all refined loaf, lump, crushed, powdered and granulated sugar, four cents per pound; provided, That the Secretary of the Treasury, shall, by regulations, prescribe and require that samples shall be taken by inspectors from the hogshead, box, or other package, in such a manner as to represent a true average of the contents of the package, and from a sufficient number of packages of the same mark in each and every invoice, so that the samples on which the classification is made shall be a fair average in quality of the sugar imported under that mark, and the classification shall be adjudged on the entire mark accordingly; and the weights of sugar imported in casks or boxes shall be marked distinctly by the customhouse weigher by scoring the figures indelibly on each package; provided, that all syrup of sugar, syrup of sugar-cane juice, melada, concentrated melada, or concentrated molasses, entered under the name of molasses, shall be forfeited to the United States.

On all wines imported in casks, containing not more than twenty-two per centum of alcohol, and valued at not exceeding forty cents per gallon, twenty-five cents per gallon; valued at over forty cents, and not over one dollar per gallon, sixty cents per gallon; valued at over one dollar per gallon, one dollar per gallon, and in addition thereto twenty-five per centum ad valorem.

On wines of all kinds, imported in bottles, and not otherwise herein provided for, the same rate per gallon as wines imported in casks, but all bottles containing one quart or less than one quart, and more than one